Registered Number 00039402

Gardiner,Sons & Co.,Limited

Annual report and financial statements

for the year ended 31 December 2018

Gardiner,Sons & Co.,Limited
Directors' report and financial statements for the year ended 31 December 2018

Contents

Gardiner,Sons & Co.,Limited

Directors and Advisors for the year ended 31 December 2018

Directors
A G P Allen - Chairman
B C F Allen
S D Butcher
J A Dursley (resigned 24 December 2018)
J Watson
S D Whitcombe
K G Bennett (appointed 1 January 2019)

Secretary
J Watson

Registered office
1 Straight Street
Bristol
BS2 0FQ
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 OFR

Gardiner,Sons & Co.,Limited
Registered number - 00039402

Strategic report for the year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Business review and principal activities

The principal activity of the company is the operation of home improvement centres in Bristol and Cirencester. In 2018 the scope of the Bristol home improvement centre was reduced. This restructure created surplus land and buildings with a carrying amount, as at 31 December 2018, of £1,879,929. These land and buildings were sold on 31st May 2019 for £17,800,000.

Following the restructure, the results for the company show a loss before taxation of £1,453,483 (2017: profit £748,753) for the year and turnover of £12,344,299 (2017 £14,192,618). Wages and salary costs for the year include redundancy payments of £370,764.

The loss for the financial year amounted to £1,296,483 (2017: profit £615,555). The dividend proposed and paid in respect of the year ended 31 December 2018 is £378,579 (2017: £378,006) resulting in a transfer from reserves of £1,414,857 (2017: transfer to reserves £266,834).

Shareholders' funds total £10,122,568 (2017: £11,537,425) after a dividend payment of £378,579 (2017: £378,006).

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the competitive environment. 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.

On behalf of the Board

J Watson

J Watson

Director

16th September 2019

Directors' report for the year ended 31 December 2018

The directors present their report and audited financial statements for the year ended 31 December 2018.

Future Developments

As a result of rising costs and changing shopping habits, the company restructured its operations in 2018. Following this restructure the company is anticipated to return to profitability in 2019.

Dividends

The dividend proposed and paid in respect of the year ended 31 December 2018 is £378,579 (2017: £378,006).

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.

Directors' report for the year ended 31 December 2018 (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 group and company 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 group and company and of the profit or loss of the group and 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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.

On behalf of the Board

J Watson
Director
16th September 2019

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

Report on the audit of the financial statements

Opinion

In our opinion, Gardiner,Sons & Co.,Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities , the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.

KE Finn

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

16th September 2019

Gardiner,Sons & Co.,Limited

Profit and loss account
for the year ended 31 December 2018

	Note	2018	2017
		£	£
Turnover		12,344,299	14,192,618
Cost of sales		(7,856,534)	(8,116,215)
Gross profit		4,487,765	6,076,403
Administrative expenses		(5,125,555)	(4,516,647)
Operating loss/profit- before group payments		(637,790)	1,559,756
Management charge payable to parent		(681,421)	(681,994)
Operating loss/profit		(1,319,211)	877,762
Interest payable and similar expenses		(140,000)	(140,000)
Interest receivable and similar income	5	4,328	10,791
Other finance income	17	1,400	200
(Loss)/profit before taxation	6	(1,453,483)	748,753
Tax on (loss)/profit	6	157,045	(133,198)
(Loss)/profit for the financial year		(1,296,438)	615,555

All operations are continuing.

There is no difference between the loss/profit before t axation and the loss/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 2018

	Note	2018	2017
		£	£
(Loss)/ Profit for the financial year		(1,296,438)	615,555
Other comprehensive income / (expense):			
Actuarial gains on defined benefit pension scheme	17	401,000	46,800
Adjustment in respect of gains not recognised	17	-	-
Movement on deferred tax relating to pension scheme	17	(140,840)	(17,515)
Other comprehensive income for the year, net of tax		260,160	29,285
Total comprehensive (expense)/income for the year		(1,036,278)	644,840

Gardiner,Sons & Co.,Limited

Balance sheet
as at 31 December 2018

	Note	2018	2017
		£	£
Non- Current assets			
Tangible assets	7	9,833,765	9,822,880
Pension scheme surplus	17	456,500	54,100
Current assets			
Stocks	8	1,364,258	4,081,924
Debtors	9	599,673	592,741
Cash at bank and in hand		2,406,752	2,069,457
		4,370,683	6,744,122
Creditors: amounts falling due within one year	10	(1,576,605)	(2,252,742)
Net current assets		2,794,078	4,491,380
Total assets less current liabilities		13,084,343	14,368,360
Creditors: amounts falling due after more than year	11	(2,800,000)	(2,800,000)
Provision for other liabilities	12	(161,775)	(30,935)
Net assets		10,122,568	11,537,425
Capital and reserves			
Called up share capital	13	1,262,661	1,262,661
Profit and loss account		8,859,907	10,274,764
Total shareholders' funds		10,122,568	11,537,425

The financial statements on pages 7 to 25 were approved by the Board of Directors on 16th September 2019 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 2018

	Called- up share capital	Profit & loss account	Total Shareholders' funds
	£	£	£
Balance as at 1 January 2017	1,262,661	10,007,930	11,270,591
Profit for the financial year	-	615,555	615,555
Other comprehensive (expense) / income for the year:			
Actuarial gains on defined benefit pension scheme	-	46,800	46,800
Movements in deferred tax asset relating to pension scheme	-	(17,515)	(17,515)
Total comprehensive income for year	-	644,840	644,840
Dividends paid	-	(378,006)	(378,006)
Total	-	266,834	266,834
Balance as at 31 December 2017	**1,262,661**	**10,274,764**	**11,537,425**
Balance as at 1 January 2018	1,262,661	10,274,764	11,537,425
Loss for the financial year	-	(1,296,438)	(1,296,438)
Other comprehensive income / (expense) for the year:			
Actuarial gains on defined benefit pension scheme	-	401,000	401,000
Movements in deferred tax asset relating to pension scheme	-	(140,840)	(140,840)
Total comprehensive expense for year	-	(1,036,278)	(1,036,278)
Dividends paid	-	(378,579)	(378,579)
Total	-	(1,414,857)	(1,414,857)
Balance as at 31 December 2018	**1,262,661**	**8,859,907**	**10,122,568**

Gardiner,Sons & Co.,Limited

Cash flow statement for the year ended 31 December 2018

	Note	2018	2017
		£	£
Net cash inflow from operating activities	14(a)	937,225	755,956
Taxation paid		(3,395)	(200,000)
Net cash generated from operating activities		933,830	555,956
Cash flows from investing activities			
Purchase of tangible fixed assets		(84,284)	(54,180)
Proceeds from sale of tangible fixed assets		2,000	2,279
Interest received		4,328	10,791
Net cash used in investing activities		(77,956)	(41,110)
Cash flows from financing activities			
Dividends paid		(378,579)	(378,006)
Interest paid to parent undertaking		(140,000)	(140,000)
Net cash used in financing activities		(518,579)	(518,006)
Net (decrease)/ increase in cash and cash equivalents		337,295	(3,160)
Cash and cash equivalents at the beginning of the year		2,069,457	2,072,617
Cash and cash equivalents at the end of the year	14(b)	2,406,752	2,069,457
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,406,752	2,069,457

Notes to the financial statements for the year ended 31 December 2018

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 1 Straight Street, Bristol BS2 0FQ.

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, at 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.

Notes to the financial statements for the year ended 31 December 2018 (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. On 31 March 2016 accrual of benefits ceased and all active members at that time became deferred members.

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 the profit and loss account as employee costs comprises of the cost of 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'.

(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 2018, 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, 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.

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Loss/Profit before taxation

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

	2018	2017
	£	£
Wages and salaries	2,858,963	2,699,131
Social security costs	160,615	177,658
Other Pension costs	94,951	89,004
Depreciation	71,925	81,429
Auditors' remuneration - audit of financial statements	22,368	18,000
Interest receivable on bank deposits	(4,328)	(10,791)
(Profit) / loss on sale of tangible fixed assets	(526)	1,733
Management charge payable to parent undertaking	681,421	681,994

6 Tax on loss/profit

	2018	2017
	£	£
Current tax		
UK Corporation tax on the loss/profit for the year	-	147,045
Adjustment in respect of prior years	(147,045)	(5,440)
Total current tax	(147,045)	141,605
Deferred tax		
Origination and reversal of timing differences (note 12)	(10,000)	(8,407)
Tax on profit	(157,045)	133,198

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Tax on loss/profit (continued)

Factors affecting tax credit/charge for the year

	2018	2017
	£	£
(Loss) / profit before taxation	(1,453,483)	748,753
Loss/Profit before taxation at standard rate of tax of 19% (2017: 19.25%)	-	144,135
Profit on disposal of fixed assets	-	334
Employee benefit profit and loss account adjustments	-	39
Adjustment in respect of prior years	(147,045)	(5440)
Rate change adjustment	(10,000)	(5,870)
Tax on (loss) / profit	(157,045)	133,198

7 Tangible assets

	Freehold land & buildings	**Fixtures & fittings**	**Plant, machinery & vehicles**	**Total**
	£	£	£	£
Cost				
At 1 January 2018	9,669,233	1,852,484	1,508,955	13,030,672
Disposals	-	-	(29,357)	(29,357)
Additions	84,284	-	-	84,284
At 31 December 2018	9,753,517	1,852,484	1,479,598	13,085,599
Accumulated depreciation				
At 1 January 2018	60,131	1,848,425	1,299,236	3,207,792
Disposals	-	-	(27,883)	(27,883)
Provision for the year	-	4,059	67,866	71,925
At 31 December 2018	**60,131**	**1,852,484**	**1,339,219**	**3,251,834**
Net book amount				
At 31 December 2018	9,693,386	-	140,379	9,833,765
At 31 December 2017	9,609,102	4,059	209,719	9,822,880

8 Stocks

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

9 Debtors

	2018	2017
	£	£
Trade debtors	289,777	418,782
Other debtors	51,771	43,774
Corporation tax	165,000	14,560
Prepayments and accrued income	93,125	115,625
	599,673	592,741

10 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	740,364	1,506,496
Other creditors	114,504	104,801
Deferred tax (Note 12)	161,775	30,935
Other taxation and social security	261,162	296,267
Accruals and deferred income	460,575	345,178
	1,738,380	2,283,677

11 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Deposit from parent undertaking	2,800,000	2,800,000

The deposit from parent undertaking is fully unsecured, has no fixed repayment date, carries an interest rate of 5% per annum and is recoverable at a date to be agreed by both group companies.

12 Deferred taxation

Deferred taxation provided in the financial statement is as follows:

	2018	2017
	£	£
Accelerated capital allowances	(2,000)	(12,000)
Pension surplus (see note 17)	(159,775)	(18,935)
Total deferred tax liability	(161,775)	(30,935)

The movement on deferred taxation is as follows:

	2018	2017
	£	£
At 1 January	(30,935)	(21,827)
(Charged) to other comprehensive income	(140,840)	(17,515)
Credited to the profit and loss account	10,000	8,407
At 31 December	(161,775)	(30,935)

The main rate of Corporation Tax is 19%. A further reduction to 17% was legislated by finance bill on 6 September 2016 and so deferred tax has been provided at that rate on accelerated capital allowances. It is anticipated that tax will be recovered on the pension surplus at 35% and so deferred tax has been provided at that rate.

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Called up share capital

	Allotted, issued and fully paid £
5,050,644 ordinary shares of 25p each at 31 December 2017 and 31 December 2018	**1,262,661**

14 Cash flow from operating activities

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

	2018	2017
	£	£
(Loss) / profit for the financial year	(1,296,438)	615,555
Taxation	(157,045)	133,198
Net interest expense	134,272	129,009
Operating (loss) /profit	(1,319,211)	877,762
Depreciation charges	71,925	81,429
Difference between pension charge and cash contributions		
Profit / (loss) on sales of tangible fixed assets	(526)	1,733
Decrease in stocks	2,717,666	176,846
Decrease in debtors	143,508	25,729
Decrease in creditors	(676,137)	(407,543)
Net cash inflow from operating activities	937,225	755,956

(b) Analysis of net funds

	At 1 January 2018	Cash flow 2018	**At 31 December 2018**
	£	£	£
Cash at bank and in hand	2,069,457	337,295	2,406,752
Deposit from parent undertaking	(2,800,000)	-	(2,800,000)
	(730,543)	337,295	(393,248)

15 Employees

	2018 Number	2017 Number
The average number of persons employed by the company during the year on a full time equivalent basis was	90	118

16 Directors' emoluments

	2018 Aggregate £	2017 Aggregate £
Directors' emoluments	230,421	295,787
	2018 Money Purchase Schemes	2017 Money Purchase Schemes
Number of directors with benefits accruing under pension schemes	**3**	3

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 £300,000 (2017: £300,000) 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.

17 Post-employment benefits

The group operates a defined benefit pension scheme. With effect from 1 December 1990, the group 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 become 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 2018 was carried out by a professionally qualified actuary based on assumptions determined by the trustees, the most significant assumptions being:

- An investment return of 3.2% on all investments;
- Increases in payment of pensions that are in respect of services between 6th April 1997 and 31st March 2006 of 3.3%.
- 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 £5,199,000 and assets at £5,841,000, a surplus of £642,000.

In 2018, no employers contributions were paid (2017: none).

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 2018 for the Group Personal Pension scheme were £67,996 (2016: £65,825).

17 Post-employment benefits (continued)

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

	2018	2017
Discount rate	3.0%	2.7%
Retail price inflation	3.2%	3.2%
Consumer price inflation	2.0%	2.0%
Rate of increase of pensions in payment (6/4/97 to 31/3/06)	3.1%	3.1%
Rate of increase of pensions in payment (from 1/4/06)	2.2%	2.2%
Life expectancies:		
Current pensioners age 65 — males	21.7	22.0
Current pensioners age 65 — females	23.6	23.8
Future pensioners age 65 (currently age 45) — males	22.8	23.0
Future pensioners age 65 (currently age 45) - females	24.9	25.0

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

	2018	2017
	£	£
Total market value of assets	5,341,700	6,000,600
Present value of scheme liabilities	(4,885,200)	(5,946,500)
Surplus in the scheme	456,500	54,100
Related deferred tax liability	(159,775)	(18,935)

17 Post-employment benefits (continued)

Reconciliation of scheme liabilities:

	2018	2017
	£	£
Opening defined benefit obligation	5,946,500	6,539,300
Service cost	-	-
Interest cost	154,500	171,900
Actuarial (losses) / gains	(766,300)	37,900
Benefits paid	(449,500)	(802,600)
Closing defined benefit obligation	4,885,200	5,946,500

Reconciliation of scheme assets:

	2018	2017
	£	£
Opening fair value of plan assets	6,000,600	6,546,400
Interest income	155,900	172,100
Actuarial gains / (losses)	(365,300)	84,700
Benefits paid	(449,500)	(802,600)
Closing fair value of plan assets	5,341,700	6,000,600
Expected contributions to the scheme in the next year:	-	-

17 Post-employment benefits (continued)

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

	2018	2017
	£	£
Actual return less expected return on scheme assets	(365,300)	84,700
Change in present value of liabilities due to change in assumptions	766,300	(37,900)
Total actuarial gain recognised in other comprehensive income	401,000	46,800
Movement on deferred tax relating to pension scheme	(140,840)	(17,515)
Total gain recognised in other comprehensive income	260,160	29,285

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:

	2018	2017
	£	£
Interest income	(155,900)	(172,100)
Interest on obligation	154,500	171,900
Other finance income	(1,400)	(200)
Current service cost	-	-
Total	(1,400)	(200)

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. Copies of the group financial statements can be obtained from Companies House.