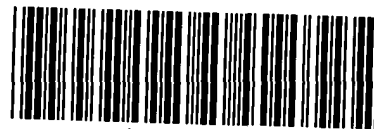


GARADOR LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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Garador Limited

Report and financial statements for the year ended 31 December 2017

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Director

S Hipgrave

Secretary and registered office

A Bacon, Bunford Lane, Yeovil, Somerset, BA20 2EJ

Company number

02225871

Auditors

Moore Stephens LLP, 150 Aldersgate Street, London, EC1A 4AB

Bankers

Lloyds-TSB Bank plc, 9 High Street, Yeovil, Somerset, BA20 1RW

Solicitors

Clarke Willmott, Blackbrook Gate, Blackbrook Park Avenue, Taunton, TA1 2PG

Garador Limited

Strategic Report 31 December 2017

Review of the business

We have experienced a small sales growth this year through pricing and retained our gross margin despite significant increases in product cost. We work hard to be competitive in a market where products sold by our competition continue to improve. However, we feel Garador's quality product range remains popular among builders' merchants and garage door specialists alike.

The director does not recommend the payment of a dividend. Since the balance sheet date, I have been appointed as joint Managing Director of both Garador Ltd and Hormann (UK) Ltd. A successor at Garador Ltd will be sought at the earliest opportunity.

Principal risks and uncertainties

The market still remains uncertain but we will continue to maximise sales through pricing and support activities.

The majority of the company's raw materials are purchased in Euro's and the effect of exit from the European Union will impact on the company's performances going forward. The necessary steps will be taken to limit any negative impact on the Company's performance as best as possible. The Company monitors exchange rates daily and takes advantage of the best rates available when cash flow allows.

Financial risk management

The main financial risks arising from the company's activities are credit, interest rate, price risk and liquidity risks. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of credit risk is to carry out appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board of directors.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate. Debt is maintained at fixed interest rates.

The company is exposed to commodity price risk as a result of its operations. The company enters into annual fixed price agreements to mitigate significant risks in this area. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed equity investments.

Employees

The company's performance depends largely on its managers and local staff. The loss of key individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact the company's results. To mitigate these risks, the business has a succession plan in place for senior employees, while seeking to maintain a core employee base that are suitably rewarded and incentivised.

On behalf of the board



S Hipgrave
Director

29th March 2018

Garador Limited

Report of the director for the year ended 31 December 2017

The director presents his report together with the audited financial statements for the year ended 31 December 2017.

Key Performance Indicators

Significant progress continues to be made in the year on the company's overriding objective and the two key elements of strategy for growth. The Board monitors progress on the overall company strategy and the individual strategic elements by reference to two key KPI's. Performance during the year, together with historical trend data is set out in the table below:

	<u>2017</u>	<u>2016</u>	Definition, method of calculation and analysis
Growth in sales (%)	5.7	3.8	Year on year sales growth expressed as a percentage The directors believe that the sales level increase is above the market average and reflects price increases implemented in the year.
Gross margin (%)	37.0	36.8	Gross profit as a percentage of sales. Margin has been retained reflecting tight cost controls.

Director

The director of the company during the year was:

S Hipgrave

The director does not have any beneficial interest in the shares of the ultimate parent company.

Results and dividends

The Statement of Comprehensive Income is set out on page 6 and shows the profit for the year.

Principal activities

The company's principal activity is that of the manufacture and sale of domestic garage doors and accessories. There have been no changes in the company's activities in the year under review.

Garador Limited

Report of the director (continued) for the year ended 31 December 2017

Director's responsibilities Statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 these financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 director is 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.

Disclosure of Information to Auditors

The current director has taken all the steps that ought to be taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

Moore Stephens LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



S Hipgrave

Director

28th March 2018

Garador Limited

Independent auditor's report

Opinion

We have audited the financial statements of Garador Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Garador Limited

Independent auditor's report

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Paul Clark, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

29th March 2017

Garador Limited

Statement of Comprehensive Income for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2,4	25,362,163	23,987,573
Cost of sales		(15,975,733)	(15,154,798)
Gross profit		9,386,430	8,832,775
Distribution costs		(2,024,087)	(2,005,830)
Administrative expenses		(4,370,754)	(3,768,000)
Operating profit	5	2,991,589	3,058,945
Other interest receivable and similar income	8	152,432	70,581
Profit on ordinary activities before taxation		3,144,021	3,129,526
Taxation on profit on ordinary activities	9	(794,736)	(658,073)
Profit for the year		2,349,285	2,471,453
Other comprehensive income		-	-
Total comprehensive income		2,349,285	2,471,453

The notes on pages 9 to 17 form part of these financial statements.

Garador Limited

Statement of Financial Position at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		6,827,783		7,803,093
Current assets					
Stock	11	2,702,947		2,400,250	
Debtors	12	7,391,721		7,417,899	
Current asset investments	13	3,000,000		7,000,000	
Cash and cash equivalents		<u>9,457,451</u>		<u>3,059,393</u>	
		22,552,119		19,877,542	
Creditors: amounts falling due within one year	14	<u>(17,302,997)</u>		<u>(18,048,291)</u>	
Net current assets			<u>5,249,122</u>		<u>1,829,251</u>
Total assets less current liabilities			12,076,905		9,632,344
Provisions for liabilities	15		<u>(737,026)</u>		<u>(641,750)</u>
Net assets			<u>111,339,879</u>		<u>8,990,594</u>
Capital and reserves					
Called up share capital	17		2		2
Profit and loss account			<u>11,339,877</u>		<u>8,990,592</u>
Shareholder's funds			<u>11,339,879</u>		<u>8,990,594</u>

The financial statements were approved by the director and authorised for issue on

29th March 2018



S Hipgrave
Director

Company number 02225871

The notes on pages 9 to 17 form part of these financial statements.

Garador Limited

Statement of Changes in Equity at 31 December 2017

	Called up share capital	Retained earnings	Total Equity
Balance at 1 January 2016	2	6,519,139	6,519,141
Comprehensive income for the year	-	2,471,453	2,471,453
Balance at 31 December 2016	2	8,990,592	8,990,594
Comprehensive income for the year	-	2,349,285	2,349,285
Balance at 31 December 2017	2	11,339,877	11,339,879

The notes on pages 9 to 17 form part of these financial statements.

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

General Information

Garador Limited is a limited company, registered in England and Wales. The principal place of business is Bunford Lane, Yeovil, Somerset, BA20 2EJ

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Statement of cash flows

The company has taken advantage of the exemption not to prepare a statement of cash flow on the grounds that the company is a member of a group headed by Garador Holdings Limited which prepares consolidated financial statements which are publicly available and in which the company is consolidated.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised upon the dispatch of goods except for contracts which are supply and install where turnover is recognised once the installation has been completed.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	2% - 10% straight line
Plant and machinery	-	5% - 33% straight line
Motor vehicles	-	25% - 33% straight line
Fixtures and fittings	-	10% - 25% straight line

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

Balances with original maturities in excess of three months are shown as current asset investments.

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

2. Accounting policies (*continued*)

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial instruments

The company's financial instruments comprise trade and other debtor and creditor balances, together with intercompany balances which are stated at cost less provision for impairment and are receivable and payable within one year.

Foreign currency

The Company has a presentation currency of Pounds Sterling (GBP).

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to profit or loss.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

2. Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leased assets

Operating leases rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Warranty provision

Provision is made for the direct labour and material costs expected to be incurred during the warranty period entered into on the sale of goods.

3. Significant accounting estimates and judgements

With regard to accounting estimates, notes 11 and 12 contain details of the company's stock and debtors. The carrying value of finished goods and trade debtors have been reviewed using commercial judgement with regard to an appropriate level of provision against stock obsolescence and irrecoverable debts. Details of the provisions are stated in note 11 and 12.

The director considers the areas of critical accounting judgement to be:

Warranty provision

The directors maintain a provision for rectification of faulty goods, the cost which will necessarily fluctuate between periods. Consideration is taken of the recent history of rectification costs, however the costs at any time remain uncertain. The warranty provision is disclosed in note 15.

Provision for depreciation on tangible fixed assets

The company incurs significant expenditure on fixed assets and the depreciation policy is based on the Director's assessment of assets lives, based on agreed parameters as set out in note 2. Failure to charge depreciation on a timely basis will result in impairment charges or losses on disposal of fixed assets. The charge for the year is shown in note 5.

4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Garador Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

5. Operating profit

	2017 £	2016 £
This is arrived at after charging/(crediting):		
Cost of stocks recognised as an expense	12,082,824	10,900,432
Depreciation of tangible fixed assets	1,132,693	1,152,105
Hire of plant and machinery – operating leases	53,431	80,050
Exchange differences	183,308	132,178
Bad debt provision	23,738	37,114
	<u>2017</u> £	<u>2016</u> £
Fees payable to the company's auditor for the auditing of the company's annual accounts	19,000	18,000
Fees payable to the company's auditor for other services:		
- taxation compliance services	4,250	4,000
- other non-audit services		

6. Employees

Staff costs (including the director) consist of:

	2017 £	2016 £
Wages and salaries	3,385,640	3,402,427
Social security costs	317,243	324,496
Other pension costs	235,505	214,262
	<u>3,938,388</u>	<u>3,941,185</u>

The average number of employees (including directors) during the year was as follows:

	2017 Number	2016 Number
Manufacturing	73	73
Selling and distribution	32	32
Administration	15	15
	<u>120</u>	<u>120</u>

Staff costs in respect of key management personnel consist of:

	2017 £	2016 £
Wages and salaries	281,075	365,763
Social security	26,308	34,859
Other pension costs	55,493	50,730
	<u>362,876</u>	<u>451,352</u>

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

7. Director's remuneration

	2017 £	2016 £
Directors' emoluments	95,804	103,120
Company contributions to money purchase pension schemes	40,210	35,210

There was 1 director in the company's defined contribution pension scheme during the year (2016: 1).

8. Other interest receivable and similar income

	2017 £	2016 £
Interest on intercompany loan	62,500	62,500
Interest on bank deposits	89,932	8,081
	<u>152,432</u>	<u>70,581</u>

9. Taxation on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	2017 £	2016 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	719,461	758,193
Adjustment in respect of prior periods	-	(1,806)
Total current tax	<u>719,461</u>	<u>756,387</u>
<i>Deferred tax</i>		
Origination/(reversal) of timing differences	75,275	(98,314)
Adjustment in respect of prior years	-	-
Total deferred tax	<u>75,275</u>	<u>(98,314)</u>
Tax on results on ordinary activities	<u>794,736</u>	<u>658,073</u>

UK corporation tax is calculated at 19.25% (2016: 20%) of the estimated assessable profit for the year.

The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK applied to profit before tax.

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

9. Taxation on profit on ordinary activities (continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>3,144,021</u>	<u>3,129,526</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	605,224	625,905
Effect of:		
Expenses not deductible for tax purposes	8,912	14,474
Other short term timing differences	-	-
Depreciation in excess of capital allowances	120,574	120,090
Prior year adjustments	-	(1,806)
Capitalised revenue expenditure allowable on an accounts basis	(2,115)	(2,276)
Group relief	(13,134)	-
Deferred tax	<u>75,275</u>	<u>(98,314)</u>
Tax on results on ordinary activities	<u>794,736</u>	<u>658,073</u>

10. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2017	7,359,363	12,734,731	41,025	915,660	21,050,779
Additions	-	42,595	-	114,788	157,383
Disposals	-	-	-	-	-
	<u>7,359,363</u>	<u>12,777,326</u>	<u>41,025</u>	<u>1,030,448</u>	<u>21,208,162</u>
Depreciation					
At 1 January 2017	1,964,280	10,825,213	41,025	417,168	13,247,686
Charge for the year	162,217	804,342	-	166,134	1,132,693
Disposals	-	-	-	-	-
	<u>2,126,497</u>	<u>11,629,555</u>	<u>41,025</u>	<u>583,302</u>	<u>14,380,379</u>
Net book value					
At 31 December 2017	<u>5,232,866</u>	<u>1,147,771</u>	<u>-</u>	<u>447,146</u>	<u>6,827,783</u>
At 31 December 2016	<u>5,395,083</u>	<u>1,909,518</u>	<u>-</u>	<u>498,492</u>	<u>7,803,093</u>

Included in freehold land and buildings is £2,268,167 (2016: £2,268,167) of land which has not been depreciated.

The freehold property is secured against a trading balance with a related party. At the year end the liability was £5,174 (2016: £205,495).

Garador Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

11. Stocks

	2017 £	2016 £
Raw materials and consumables	2,045,024	1,781,025
Work in progress	353,265	350,354
Finished goods and goods for resale	407,083	396,639
Gross stock	2,805,372	2,528,018
Allowance for estimated irrecoverable amounts of stock	(102,425)	(127,768)
Net stock	2,702,947	2,400,250

There is no material difference between the replacement cost of stocks and the amounts stated above.

12. Debtors

	2017 £	2016 £
Gross trade debtors	4,755,006	4,820,039
Allowance for estimated irrecoverable trade debts	(179,320)	(155,582)
Net trade debtors	4,575,686	4,664,457
Amounts owed by group undertakings	2,725,410	2,700,200
Other debtors	-	22,812
Prepayments and accrued income	90,625	30,430
	7,391,721	7,417,899

All amounts shown under debtors fall due for payment within one year.

13. Current asset investments

	2017 £	2016 £
Money market deposits	3,000,000	7,000,000

14. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	603,780	700,868
Amounts owed to parent undertaking	15,181,314	15,181,314
Amount due to other group undertakings	208,104	685,294
Corporation tax	383,689	321,380
Other taxation and social security	645,205	632,910
Other creditors	45,375	88,098
Accruals	235,530	438,427
	17,302,997	18,048,291

15. Provisions for liabilities

Garador Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

	Deferred taxation £	Warranty provision £	Total £
At 1 January 2017	451,751	190,000	641,751
Charged to profit or loss	75,275	270,325	345,600
Utilised in year		(250,325)	(250,325)
At 31 December 2017	<u>527,026</u>	<u>210,000</u>	<u>737,026</u>

Deferred taxation

	2017 £	2016 £
Accelerated capital allowance	585,790	508,469
Sundry timing differences	<u>(58,764)</u>	<u>(56,718)</u>
	<u>527,026</u>	<u>451,751</u>

The warranty provision represents direct labour and material costs expected to be incurred during the warranty period entered into on the sale of goods.

16. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £235,505 (2016 - £214,262). At 31 December 2017, contributions amounting to £Nil (2016 - £25,812) were payable to the fund and are included in creditors.

17. Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

18. Commitments under operating leases

The company had commitments under non-cancellable operating leases payable as follows:

	Other 2017 £	Other 2016 £
Operating leases which expire:		
Within one year	55,128	68,866
In two to five years	<u>17,025</u>	<u>70,069</u>
	<u>72,153</u>	<u>138,935</u>

Garador Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

19. Financial Instruments

	2017 £	2016 £
Financial assets		
Financial assets represented at fair value through profit or loss	12,457,451	10,059,393
Financial assets that are debt instruments measured at amortised cost	<u>7,346,096</u>	<u>7,387,469</u>
	<u>19,803,547</u>	<u>17,448,862</u>
Financial liabilities		
Financial liabilities that are debt instruments measured at amortised cost	<u>15,275,103</u>	<u>17,094,001</u>
	<u>15,275,103</u>	<u>17,094,001</u>

Financial assets measured at fair value through profit or loss comprise current assets investments and cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise amounts payable to trade creditors, amounts payable to group undertakings, other creditors and accruals.

20. Related party disclosures

The company is a wholly owned subsidiary of Garador Holdings Limited and has taken advantage of Section 33.1a of FRS 102, not to disclose transactions with Garador Holdings Limited. The accounts of Garador Holdings Limited are available at, Companies House, Crown Way, Cardiff CF14 3UZ.

Related party transactions and balances

The company has made a loan to IG Doors Limited, a fellow subsidiary of the ultimate parent company. Interest charged on the loan at 2.5% per annum amounted to £62,500 (2016: £62,500). A balance of £2,656,507 (2016: £2,594,007) was owing to the company at the year end and the loan is repayable on demand.

During the year the company purchased goods from other group undertakings, amounting to £4,708,977 (2016: £5,042,097) and sold goods to other group undertakings amounting to £1,353,057 (2016: £1,419,496). At the year end the company owed other group undertakings £208,104 per note 14 (2016: £685,294) and was owed £68,903 (2016: £106,193) with regard to trading transactions. No interest was charged on these trade balances.

21. Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of Garador Holdings Limited, a company incorporated in England and Wales. A copy of the group financial statements may be obtained from Bunford Lane, Yeovil, Somerset, BA20 2EJ.

The company's ultimate parent undertaking is Hörmann KG Freisen, a company registered in Germany.

The company is controlled by its ultimate parent undertaking, which is owned by certain members of the Hörmann family.