

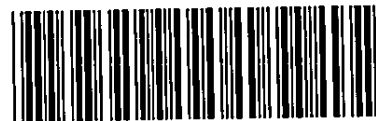
Registered number: 01413241

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE PERIOD ENDED 3 APRIL 2008**

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**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	J E Tarbatt (resigned 03/04/2008) J Tarbatt (resigned 03/04/2008) R J Tarbatt (resigned 03/04/2008) S J Williams (resigned 03/04/2008) P K Wright (appointed 03/04/2008) A Roper (appointed 03/04/2008)
<b>Company secretary</b>	T M Shaw
<b>Company number</b>	01413241
<b>Registered office</b>	Brambridge Park Garden Centre Kiln Lane Eastleigh Hampshire SO50 6HT
<b>Auditors</b>	Cooper Parry LLP Chartered Accountants & Registered Auditors 3 Centro Place Pride Park Derby DE24 8RF

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

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# **MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 3 APRIL 2008**

The directors present their report and the financial statements for the period ended 3 April 2008.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 proper accounting records that 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 1985. 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.

### **Principal activities**

The principal activity of the company during the period was the operation of garden centres.

### **Business review**

Trading performance was strong throughout the period. The operating profit recorded was 121.5% ahead of the prior year, achieved by a reduction in directors' remuneration, an increase in concession income and strong control of overheads. The balance sheet shows that the company's financial position has improved compared to the prior year, with net assets increasing by 26.5% to £2,934,846. Creditor days have decreased by 23 days from the prior year to 86 days. Further loan repayments were made of £338,056 and the interest cover has improved from 3.7 times to 7.9 times.

The company continues to invest to improve the capital equipment and operating capacity necessary to deliver the forecast growth in the business in the future. Expenditure on staff costs continues to rise, reflecting the focus on employees as a key asset of the business.

The directors are optimistic that the planned growth for the business will be delivered.

The company's objective to minimise risks and uncertainties to the level of the market place in which it operates and achieves this through its internal controls and review procedures. The company's objective regarding financial risk management is to keep exposure of price risk, credit risk, liquidity risk and cash flow to a minimum. In the opinion of the directors the exposure of such risks has been assessed and at present deemed to be low and at an acceptable level for the company to continue to operate.

Since the period end, as part of the restructuring of the company, the entire share capital of the company has been purchased by MGCL Limited, a 100% subsidiary of Blue Diamond Limited.

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 3 APRIL 2008**

**Results and dividends**

The profit for the period, after taxation, amounted to £614,934 (2007 - £190,211).

The directors do not recommend payment of a dividend (2007 - £53,600).

**Directors**

The directors who served during the period were:


J E Tarbatt (resigned 03/04/2008)  
J Tarbatt (resigned 03/04/2008)  
R J Tarbatt (resigned 03/04/2008)  
S J Williams (resigned 03/04/2008)  
P K Wright (appointed 03/04/2008)  
A Roper (appointed 03/04/2008)

**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 23<sup>rd</sup> January 2009 and signed on its behalf.



**P K Wright**  
Director

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of Matlock Garden, Waterlife & Pet Centre Limited for the period ended 3 April 2008 set out on pages 4 to 18, together with the financial statements of the company for the period ended 3 April 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 18 have been properly prepared in accordance with that provision.



**Cooper Parry LLP**

Chartered Accountants  
Registered Auditors

Derby

Date: 26<sup>th</sup> January 2009

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 3 APRIL 2008**

	Note	2008 £	2007 £
<b>Gross profit</b>		2,958,353	2,801,393
Administrative expenses	2	<u>(2,070,350)</u>	<u>(2,400,502)</u>
<b>Operating profit</b>	3		
Continuing operations		875,539	382,421
Discontinued operations		12,464	18,470
		888,003	400,891
Interest receivable	6	35,382	26,830
Interest payable	7	<u>(116,970)</u>	<u>(114,361)</u>
<b>Profit on ordinary activities before taxation</b>		806,415	313,360
Tax on profit on ordinary activities	8	<u>(191,481)</u>	<u>(123,149)</u>
<b>Profit for the financial period</b>	18	<u><u>614,934</u></u>	<u><u>190,211</u></u>

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

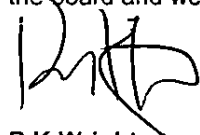
The notes on pages 7 to 18 form part of these financial statements.

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 3 APRIL 2008**

	Note	£	3 April 2008 £	£	31 March 2007 £
<b>Fixed assets</b>					
Intangible fixed assets	9		46,000		53,000
Tangible fixed assets	10		3,634,231		4,173,146
Investment property	11		381,875		-
			<u>4,062,106</u>		<u>4,226,146</u>
<b>Current assets</b>					
Stocks	12	911,349		849,146	
Debtors	13	401,059		384,258	
Cash at bank and in hand		301,205		229,233	
		<u>1,613,613</u>		<u>1,462,637</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,406,969)</u>		<u>(1,634,634)</u>	
<b>Net current assets/(liabilities)</b>			<u>206,644</u>		<u>(171,997)</u>
<b>Total assets less current liabilities</b>			<u>4,268,750</u>		<u>4,054,149</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(1,160,376)</u>		<u>(1,487,190)</u>
<b>Provisions for liabilities</b>					
Deferred tax	16		<u>(173,528)</u>		<u>(247,047)</u>
<b>Net assets</b>			<u><u>2,934,846</u></u>		<u><u>2,319,912</u></u>
<b>Capital and Reserves</b>					
Called up share capital	17		19,508		19,508
Capital redemption reserve	18		492		492
Profit and loss account	18		2,914,846		2,299,912
<b>Shareholders' funds</b>	19		<u><u>2,934,846</u></u>		<u><u>2,319,912</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on



**P K Wright**  
Director

23rd January 2009

The notes on pages 7 to 18 form part of these financial statements.



**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**ABBREVIATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 3 APRIL 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
Net cash flow from operating activities	20	600,915	809,082
Returns on investments and servicing of finance	21	(81,588)	(87,531)
Taxation		(119,431)	(76,022)
Capital expenditure and financial investment	21	10,132	(267,232)
Equity dividends paid		-	(53,600)
<b>Cash inflow before financing</b>		<b>410,028</b>	<b>324,697</b>
Financing	21	(338,056)	(137,133)
<b>Increase in cash in the period</b>		<b>71,972</b>	<b>187,564</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE PERIOD ENDED 3 APRIL 2008**

	<b>2008 £</b>	<b>2007 £</b>
Increase in cash in the period	71,972	187,564
Cash outflow from decrease in debt and lease financing	338,056	137,133
<b>Movement in net debt in the period</b>	<b>410,028</b>	<b>324,697</b>
Net debt at 1 April 2007	(1,548,607)	(1,873,304)
<b>Net debt at 3 April 2008</b>	<b>(1,138,579)</b>	<b>(1,548,607)</b>

The notes on pages 7 to 18 form part of these financial statements.

## **MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 3 APRIL 2008**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company's accounting reference date is 31 March. The company has extended this period by three days as part of the restructuring of the company as described in note 28.

##### **1.2 Turnover**

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

##### **1.3 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	- 15 years
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##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over the remaining term of the lease
Plant and machinery	- 15% reducing balance or 4% straight line
Motor vehicles	- 20% reducing balance

##### **1.5 Investment properties**

Investment properties are included in the Balance sheet at their open market value, as valued annually by the directors, in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

##### **1.6 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### **1.7 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined by reference to selling price less the profit margin. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

# MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 3 APRIL 2008

### 1. Accounting policies (continued)

#### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

#### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

### 2. Gross profit and expenses

	Continuing £	2008 Discontinued £	Continuing £	2007 Discontinued £
Gross profit	2,792,240	166,113	2,586,952	214,441
Administrative expenses	1,916,701	153,649	2,204,531	195,971

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**3. Operating profit**

The operating profit is stated after charging:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amortisation - intangible fixed assets	7,000	7,000
Depreciation of tangible fixed assets:		
- owned by the company	147,036	141,361
Auditors' remuneration	7,000	4,250
Operating lease rentals:		
- plant and machinery	11,072	11,568
(Profit)/loss on sale of tangible fixed assets	(128)	24,058
	<u>                    </u>	<u>                    </u>

**4. Staff costs**

Staff costs, including directors' remuneration, were as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,302,332	1,414,366
Social security costs	94,844	118,133
Other pension costs	9,976	85,000
	<u>                    </u>	<u>                    </u>
	<u>1,407,152</u>	<u>1,617,499</u>

The average monthly number of employees, including the directors, during the period was as follows:

	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
Clerical and managerial	8	8
Sales	72	72
	<u>                    </u>	<u>                    </u>
	<u>80</u>	<u>80</u>

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**5. Directors' remuneration**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Emoluments	197,664	372,277
Company pension contributions to money purchase pension schemes	-	76,728

During the period retirement benefits were accruing to 2 directors (2007 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £90,158 (2007 - £206,070).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2007 - £60,360).

**6. Interest receivable**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other interest receivable	35,382	26,830

**7. Interest payable**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
On bank loans and overdraft	100,970	98,750
On other loan	16,000	15,611
	116,970	114,361

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**8. Taxation**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the period</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the period	265,000	119,431
Adjustments in respect of prior periods	-	22
<b>Total current tax</b>	<u>265,000</u>	<u>119,453</u>
<b>Deferred tax (see note 16)</b>		
Origination and reversal of timing differences	(73,519)	3,696
<b>Tax on profit on ordinary activities</b>	<u>191,481</u>	<u>123,149</u>

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2007 - higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>806,415</u>	<u>313,360</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 - 30%)	241,925	94,008
<b>Effects of:</b>		
Expenses not deductible for tax purposes	23,540	4,482
Difference between capital allowances and depreciation	(465)	29,806
Marginal relief	-	(8,865)
Adjustments to tax charge in respect of prior periods	-	22
<b>Current tax charge for the period</b>	<u>265,000</u>	<u>119,453</u>

**Factors that may affect future tax charges**

There are no factors affecting future tax charges.

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**9. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2007 and 3 April 2008	105,000
<b>Amortisation</b>	
At 1 April 2007	52,000
Charge for the period	7,000
At 3 April 2008	59,000
<b>Net book value</b>	
At 3 April 2008	46,000
At 31 March 2007	53,000

**10. Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2007	3,262,429	1,840,976	5,103,405
Additions	14,671	4,447	19,118
Disposals	-	(48,350)	(48,350)
Reclassification of investment property	(329,104)	(52,771)	(381,875)
At 3 April 2008	2,947,996	1,744,302	4,692,298
<b>Depreciation</b>			
At 1 April 2007	248,978	681,281	930,259
Charge for the period	53,047	93,989	147,036
On disposals	-	(19,228)	(19,228)
At 3 April 2008	302,025	756,042	1,058,067
<b>Net book value</b>			
At 3 April 2008	2,645,971	988,260	3,634,231
At 31 March 2007	3,013,451	1,159,695	4,173,146

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**11. Investment property**

	<b>Freehold property £</b>
<b>Cost and valuation</b>	
At 1 April 2007	-
Reclassification from tangible fixed assets	381,875
At 3 April 2008	<u>381,875</u>

**12. Stocks**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Finished goods and goods for resale	911,349	849,146
	<u>911,349</u>	<u>849,146</u>

**13. Debtors**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
<b>Due after more than one year</b>		
Other debtors	315,167	304,042
<b>Due within one year</b>		
Other debtors	85,892	80,216
	<u>401,059</u>	<u>384,258</u>

**14. Creditors:  
Amounts falling due within one year**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Bank loans and overdraft	279,408	290,650
Trade creditors	727,830	895,491
Corporation tax	265,000	119,431
Social security and other taxes	111,213	73,915
Accruals and deferred income	23,518	255,147
	<u>1,406,969</u>	<u>1,634,634</u>

The loans and bank overdraft are secured by legal charges over the company's assets. The loans are repayable by August 2011, February 2012 and January 2014 respectively. Interest is accrued at 1.5% above the bank base rate.



**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**15. Creditors:**  
**Amounts falling due after more than one year**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Bank loans	960,376	1,287,190
Other loan	200,000	200,000
	<hr/>	<hr/>
	<b>1,160,376</b>	<b>1,487,190</b>
	<hr/>	<hr/>

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Repayable by instalments	27,597	93,795
	<hr/>	<hr/>

Creditors due after more than one year include a loan of £200,000 (2007: £200,000) owed to Nottingham Garden Centre Retirement & Death Benefits Scheme, the trustees of which are directors of the company. The loan is wholly repayable in January 2010 and accrues interest at the rate of 3% above the bank base rate.

Immediately following the period end all of the above loans were paid off in full as part of the restructuring of the company as described in note 28.

**16. Deferred taxation**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
At 1 April 2007	247,047	243,351
(Released during)/charge for the period	(73,519)	3,696
	<hr/>	<hr/>
At 3 April 2008	<b>173,528</b>	<b>247,047</b>
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Accelerated capital allowances	173,528	247,047
	<hr/>	<hr/>

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**17. Share capital**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
<b>Authorised</b>		
99,508 'A' Ordinary shares of £1 each	99,508	99,508
492 'B' Ordinary shares of £1 each	492	492
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
19,508 'A' Ordinary shares of £1 each	19,508	19,508
	<hr/>	<hr/>

The 'A' shares shall be treated as ordinary shares.

The holders of the 'B' shares shall not be entitled to any cash dividend that may be declared but in the event that a dividend in specie shall be declared by the company the holder of the 'B' shares shall be entitled to such a dividend. On a return of capital on liquidation or otherwise the holder of the 'B' shares shall be entitled to an amount of 1p per 'B' share. The 'B' shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the company. The 'B' shares are redeemable at the discretion of the parties involved.

**18. Reserves**

	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
At 1 April 2007	492	2,299,912
Profit for the period	-	614,934
	<hr/>	<hr/>
At 3 April 2008	492	2,914,846
	<hr/>	<hr/>

**19. Reconciliation of movement in shareholders' funds**

	<b>3 April 2008 £</b>	<b>31 March 2007 £</b>
Opening shareholders' funds	2,319,912	2,183,301
Profit for the period	614,934	190,211
Dividends	-	(53,600)
	<hr/>	<hr/>
Closing shareholders' funds	2,934,846	2,319,912
	<hr/>	<hr/>

**MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE PERIOD ENDED 3 APRIL 2008**

**20. Net cash flow from operating activities**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating profit	888,003	400,891
Amortisation of intangible fixed assets	7,000	7,000
Depreciation of tangible fixed assets	147,036	141,361
(Profit)/loss on disposal of tangible fixed assets	(128)	24,058
(Increase)/decrease in stocks	(62,203)	35,995
Increase in debtors	(16,801)	(4,592)
(Decrease)/increase in creditors	(361,992)	204,369
<b>Net cash inflow from operating activities</b>	<b>600,915</b>	<b>809,082</b>

**21. Analysis of cash flows for headings netted in cash flow statement**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	35,382	26,830
Interest paid	(116,970)	(114,361)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(81,588)</b>	<b>(87,531)</b>
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(19,118)	(267,232)
Sale of tangible fixed assets	29,250	-
<b>Net cash inflow/(outflow) from capital expenditure</b>	<b>10,132</b>	<b>(267,232)</b>
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Financing</b>		
New secured loans	-	153,001
Repayment of loans	(338,056)	(290,134)
<b>Net cash outflow from financing</b>	<b>(338,056)</b>	<b>(137,133)</b>

# MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 3 APRIL 2008

### 22. Analysis of changes in net debt

	1 April 2007 £	Cash flow £	Other non-cash changes £	3 April 2008 £
Cash at bank and in hand:	229,233	71,972	-	301,205
<b>Debt:</b>				
Debts due within one year	(290,650)	338,056	(326,814)	(279,408)
Debts falling due after more than one year	(1,487,190)	-	326,814	(1,160,376)
<b>Net debt</b>	<u>(1,548,607)</u>	<u>410,028</u>	<u>-</u>	<u>(1,138,579)</u>

### 23. Contingent liabilities

The company has guaranteed the bank borrowings of Chatsworth Garden Centre Limited, a company under common control. At 3 April 2008 the potential liability was £272,315 (2007: £308,612).

### 24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,976 (2007 - £85,000).

### 25. Operating lease commitments

At 3 April 2008 the company had annual commitments under non-cancellable operating leases as follows:

	3 April 2008 £	31 March 2007 £
<b>Expiry date:</b>		
Within 1 year	13,423	13,423
Between 2 and 5 years	<u>1,699</u>	<u>1,699</u>

## MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 3 APRIL 2008

#### 26. Related party transactions

The company received management fees during the period from the following related parties.

	2008 £	2007 £
Chatsworth Garden Centre Limited	50,000	25,000
Bridgford Garden, Waterlife and Pet Centre Limited	-	5,000

Bridgford Garden, Waterlife and Pet Centre Limited is related to the company by close family. The Bridgford division was sold to its management for consideration of £450,000 on 30 April 2000. The consideration is left as a debt due to the company from Bridgford Garden, Waterlife and Pet Centre Limited.

The maximum term of the loan is 20 years and from 30 April 2001, a minimum amount of £20,000 is repaid annually. Interest is payable on calendar quarters, at a rate of 1% above the bank base rate.

During the period interest of £20,725 (2007- £18,783) accrued on the loan to Bridgford Garden, Waterlife and Pet Centre Limited. The balance at the period end was £315,167 (2007- £324,042).

During the period the company made sales to Chatsworth Garden Centre Limited, a company under common control, of £23,208 (2007- £42,655). At the period end the balance outstanding was £50,000 (2007- £12,187).

During the period the company sold two motor vehicles at market value to S J Williams and R J Tarbatt for £13,500 and £15,750 respectively.

#### 27. Discontinued operation

On the 4 April 2008, as part of the restructuring of the company, as described in note 28, the trade and assets of one of the company's operations was distributed as a dividend in specie.

#### 28. Post balance sheet events and controlling party

At the balance sheet date the company was controlled by J E Tarbatt and J Tarbatt.

Since the period end, as part of the restructuring of the company, the entire share capital of the company has been purchased by MGCL Limited, a 100% subsidiary of Blue Diamond Limited. In the opinion of the directors of Blue Diamond Limited there is no ultimate controlling party.