

**Company Registration Number: 01413241 (England and Wales)**

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

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2011**

7

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COMPANIES HOUSE

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

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### **Directors**

A Roper  
P K Wright

### **Secretary and registered office**

T M Shaw  
Brambridge Park Garden Centre  
Kiln Lane  
Brambridge  
Eastleigh  
Hampshire  
SO50 6HT

### **Company registration number**

01413241 (England and Wales)

### **Auditor**

BDO Limited  
Place du Pré  
Rue du Pré  
St Peter Port  
Guernsey  
GY1 3LL

## **REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements of the company, which is registered in England, for the year ended 31 December 2011

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view

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 those financial statements the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements 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 confirm that they have complied with the above requirements in preparing the financial statements

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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is property holding.

### **RESULTS AND DIVIDENDS**

The results of the company for the period are set out in detail on page 5.

The company has not paid any interim dividends during the year and the directors do not intend to recommend a final dividend for the year.

**REPORT OF THE DIRECTORS**

**DIRECTORS**

The directors of the company who served during the year were -

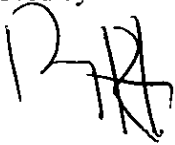
A Roper  
P K Wright

**AUDITOR**

BDO Limited has expressed their willingness to continue in office Under the Companies Act 2006 Section 487 (2) they will be automatically re-appointed as auditors 28 days after these accounts are sent out

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the Board of Directors on 24 April 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'P. K. Wright', written over a horizontal line.

**P. K. Wright**  
**Director**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED**

We have audited the financial statements of Matlock Garden, Waterlife & Pet Centre Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice')

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 is 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MATLOCK GARDEN, WATERLIFE & PET CENTRE LIMITED  
(continued)**

**Matters on which we are required to report by exception**

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

*BDO Limited.*

Richard Paul Jackson FCA (Senior statutory auditor)  
For and on behalf of BDO Limited, Statutory auditor  
Chartered Accountants  
Place du Pré  
Rue du Pré  
St Peter Port  
Guernsey

Date *24 April 2012.*

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
<b>INCOME FROM FIXED ASSET INVESTMENTS</b>	2	719,745	572,751
Administrative expenses		(8,221)	-
<b>OPERATING PROFIT</b>	2	711,524	572,751
Interest payable	3	(29,151)	(25,506)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		682,373	547,245
Tax on profit on ordinary activities	4	(191,799)	(153,229)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	8	490,574	394,016

A statement of movements on reserves is included in note 8 to these financial statements.

The notes on pages 8 to 12 form an integral part of these financial statements

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	490,574	394,016
Unrealised deficit on revaluation of freehold property	-	(509,750)
<b>TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR</b>	<u>490,574</u>	<u>(115,734)</u>

A reconciliation of movements in shareholders' funds is set out in note 9 to the financial statements

The notes on pages 8 to 12 form an integral part of these financial statements



## BALANCE SHEET

31 DECEMBER 2011

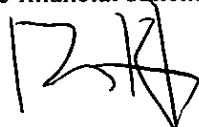
	Note	2011	2010
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	10,379,566	7,500,000
<b>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	(3,924,336)	(1,535,344)
<b>NET CURRENT LIABILITIES</b>		(3,924,336)	(1,535,344)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,455,230	5,964,656
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	19,508	19,508
Revaluation reserve	8	3,311,489	3,311,489
Capital redemption reserve	8	492	492
Profit and loss reserve	8	3,123,741	2,633,167
<b>SHAREHOLDERS' FUNDS</b>	9	6,455,230	5,964,656

Matlock Garden, Waterlife &amp; Pet Centre Limited

Company number: 01413241

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 24 April 2012 and authorised for issue by



**P.K Wright**  
Director

The notes on pages 8 to 12 form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

**1. ACCOUNTING POLICIES****Convention**

These financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of freehold land and buildings. The principal accounting policies which the directors have adopted within that convention are set out below.

**Income**

Rental income is accounted for on an accruals basis.

**Freehold land and buildings**

Freehold land and buildings are stated at their revalued amounts, being their current value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the profit and loss account to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the capital reserve.

No depreciation is charged on freehold land. The directors consider that the company's freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation charge would not be material and therefore is not charged in the profit and loss account. The directors perform annual impairment reviews in accordance with the requirements of Financial Reporting Standard No. 11 – Impairment of Fixed Assets and Goodwill and of Financial Reporting Standard No. 15 – Tangible Fixed Assets, to ensure that the carrying value of such assets is not lower than their recoverable amount.

**Going concern**

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurances from the company's ultimate parent company to the effect that the ultimate parent company will continue to make funds available to the company for the foreseeable future and will continue to meet the company's obligations to other creditors as and when they fall due.

**2. INCOME FROM FIXED ASSET INVESTMENTS AND OPERATING PROFIT**

Income from fixed asset investments and operating profit derives wholly from continuing activities carried out exclusively in the United Kingdom and are wholly attributable to the principal activity of the company.

The auditor's remuneration for the year was £3,000. In the prior year the fee was borne by Blue Diamond Limited (the ultimate parent company). No director received any remuneration during the year (2010: nil).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

<b>3. INTEREST PAYABLE</b>	<b>2011</b>	<b>2010</b>
	£	£
Interest payable on amount due to ultimate parent company (note 6)	28,248	25,506
Interest payable on tax	903	-
	<u>29,151</u>	<u>25,506</u>
<b>4. TAXATION</b>	<b>2011</b>	<b>2010</b>
	£	£
Current tax		
UK Corporation Tax	181,049	153,229
Withholding tax on group interest		
- Current year	5,650	-
- Prior year under-provision	5,100	-
	<u>191,799</u>	<u>153,229</u>
Tax on profit on ordinary activities		

The current tax charge is higher than the standard effective rate of corporation tax in the UK of 28%. The differences are explained below

	<b>2011</b>	<b>2010</b>
	£	£
Profit on ordinary activities before tax	682,373	547,245
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2010 28%)	177,417	153,229
Effects of		
- Non-deductable expenses	235	-
- Change in rate of tax	3,397	-
- Withholding tax on group interest	10,750	-
	<u>191,799</u>	<u>153,229</u>
Current tax charge for the year		

Withholding tax of 20% is charged on interest payable to non-resident group companies

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

## 5. TANGIBLE ASSETS

Freehold land and buildings

	£
AT VALUATION	
At 1 January 2011	7,500,000
Additions	2,879,566
NET BOOK VALUE	
At 31 December 2011	10,379,566
At 31 December 2010	7,500,000

During the year the company acquired the freehold land and buildings at Fryers Nurseries, Manchester Road, Knutsford for an amount of £2,832,648. Other additions of £46,918 relate to a building conversion works at Derby Garden Centre.

The company has provided first legal charges in favour of the Royal Bank of Scotland International Limited (trading as NatWest) over its freehold land and buildings as security for the group's bank loan and overdraft facilities (note 11).

The company's freehold land and buildings are included in these financial statements at the directors' estimate of their open market value at 31 December 2011. The directors' assessment of current value is based upon professional valuations carried out on 31 December 2010 by A Evans BSc MRICS Dip Rating ACI Arb IRRV (Hons), of Gilbert Evans, a member of the Royal Institution of Chartered Surveyors. In the opinion of the directors no revaluation adjustment is required this year as the value at which the company's freehold land and buildings is stated is representative of the current market value.

6. CREDITORS - AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	2011 £	2010 £
Accruals	3,000	-
UK corporation tax payable	111,051	168,839
Other taxes payable	-	177,107
Due to ultimate parent company (note 10)	3,810,285	1,189,398
	3,924,336	1,535,344

The amount due to ultimate parent company is unsecured, bears interest at 1.5% above the UK LIBOR rate and is repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

7.	<b>CALLED UP SHARE CAPITAL</b>	2011 £	2010 £		
	<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/>		
8.	<b>RESERVES</b>	Capital Redemption Reserve £	Profit and Revaluation Loss Account Reserve £	Total £	
	At 1 January 2011	492	3,311,489	2,633,167	5,945,148
	Profit for the year	-	-	490,574	490,574
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 2011	492	3,311,489	3,123,741	6,435,722
		<hr/>	<hr/>	<hr/>	<hr/>
9.	<b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	2011 £	2010 £		
	Profit for the financial year	490,574	394,016		
	Other recognised gains and losses for the year	-	(509,750)		
		<hr/>	<hr/>		
	Net addition to / (reduction in) shareholders' funds	490,574	(115,734)		
	Opening shareholders' funds	5,964,656	6,080,390		
		<hr/>	<hr/>		
	Closing shareholders' funds	6,455,230	5,964,656		
		<hr/>	<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2011

**10. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The parent company and controlling party, which has interests in 100% of the issued share capital of the company, is MGCL Limited, a company incorporated in England. The ultimate parent company is Blue Diamond Limited, a company incorporated in Guernsey. The issued share capital of Blue Diamond Limited is owned by numerous parties and therefore, in the opinion of the directors, the ultimate controlling party is Blue Diamond Limited.

In the preparation of these financial statements the directors have taken advantage of the exemption under Financial Reporting Standard No 8 - Related Party Disclosures and have not disclosed the details of related party transactions with entities that are part of the Blue Diamond Limited group or investees of that group. Copies of the group financial statements are available from Blue Diamond Limited, Rue du Friquet, Castel, Guernsey, Channel Islands.

**11. CONTINGENT LIABILITY**

In consideration for making available to the Blue Diamond Limited group loan and overdraft facilities of up to £20,328,700, The Royal Bank of Scotland International Limited (trading as NatWest) has requested that a composite cross guarantee structure be established.

Accordingly, the following Blue Diamond Limited group companies have entered into such cross guarantees -

B D Properties Limited	Goodies Limited
BDL No 1 Limited	MGCL Limited
BDL No 2 Limited	Matlock Garden, Waterlife & Pet Centre Limited
Blue Diamond Limited	Olympus Sportswear (Guernsey) Limited
Blue Diamond Trading Limited	St Martins Garden & Pet Centre Limited
Blue Diamond UK Limited	St Peters Furniture Centre Limited
Fruit Export Company Limited	St Peters Garden Centre Limited

In the opinion of the directors no loss to the company is likely to arise as a result of these guarantees.

**12. CASH FLOW STATEMENT**

The company is a wholly owned subsidiary of MGCL Limited and is included in the consolidated financial statements of Blue Diamond Limited. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.