

MELDONGREEN (GROUP) LIMITED

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

For The Year Ended 28 February 2014

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MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

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For The Year Ended 28 February 2014**

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MELDONGREEN (GROUP) LIMITED

**Company Information
For The Year Ended 28 February 2014**

DIRECTORS:

M Seaby
Mrs D R Seaby
N P Seaby

SECRETARIES:

N P Seaby
M Seaby

REGISTERED OFFICE:

1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

REGISTERED NUMBER:

01421946

BANKERS:

Clydesdale Bank Plc
30 Lombard Street
London
EC3V 9BB

**Group Strategic Report
For The Year Ended 28 February 2014**

The directors present their strategic report of the company and the group for the year ended 28 February 2014.

REVIEW OF BUSINESS

The profit and loss account is set out on page 6 and shows turnover for the year of £6,768,191 (2013: £6,444,409) and profit for the year of £178,855 (2013: £14,947). This shows a marked improvement over recent years which is most encouraging.

Turnover has increased in the year as trading conditions have started to improve following a protracted recessionary period. Following the closure of our loss making site at Tenderden site last year the Group has seen improved trading conditions at its core sites at Rayleigh, Harling, Gravesend and Colchester as well as its further progress from our internet business. The directors believe that we will see similar trading conditions through 2014/15 as there is still a level of uncertainty in the marketplace, but as ever we will continue to innovate and enhance the customer experience at our sites and we are very encouraged to see the progress from our online garden centre offering.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for the supply of aquatic products and livestock remains highly competitive in the UK, as does the garden centre market. The company seeks to manage the risk of losing customers to key competitors by the provision of its expertise and knowledge of products and their uses to its customers, efficient handling of customer enquiries and by maintaining strong relationships with customers.

Each site is expensive to operate and to maintain. Key operating costs are continually monitored with budgets being set for each cost category at each site.

This monitoring process continues to drive the business forward and we continually refine this process during the year. Capital projects are potentially available, however, the business needs to prove it can generate sufficient free cash flows to be able to sustain such projects in the future. Greater review of potential capital projects will take place with selection based upon those which will deliver the best benefits for the business only.

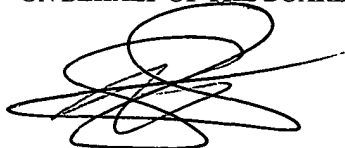
The company monitors cash flow as part of its day to day control procedures, the Finance Director considers cash flow projections on an ongoing basis and ensures that appropriate facilities are available to be drawn upon as necessary.

OUTLOOK

The business continues to keep the performance of all sites under review. 2013/14 has seen a significant improvement over last year impacted by both improving trading conditions as well as better weather during the key trading periods which is very important for driving sales. Our work on reducing the operating cost base of the business has been again been successful, and we continue to keep all costs under constant review. We will continue to review advertising spend balancing targeted spend on key geographic areas as well as driving traffic to our website through search engine optimisation. We have continued to invest in our two websites; for the Swallow Aquatics and Mill Race brands. The company is confident that it will continue to operate cost effectively and to more than service its debt and interest requirements.

Daily cash flow is being closely monitored paying particular attention to stock holding and setting continued targets for stock reduction. As a result, the business is much more readily living within its facility and has created headroom to live through the quieter periods.

ON BEHALF OF THE BOARD:



N P Seaby - Secretary

26 November 2014

**Report of the Directors
For The Year Ended 28 February 2014**

The directors present their report with the financial statements of the company and the group for the year ended 28 February 2014.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2013 to the date of this report.

M Seaby
Mrs D R Seaby
N P Seaby

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

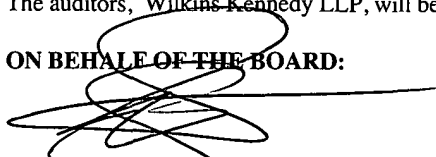
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N P Seaby - Secretary

26 November 2014

Report of the Independent Auditors to the Members of Meldongreen (Group) Limited

We have audited the financial statements of Meldongreen (Group) Limited for the year ended 28 February 2014 on pages six to twenty six. 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 has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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 group's and the parent 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2014 and of the group's 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 matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Meldongreen (Group) Limited**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Paul East (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

26 November 2014

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)**Consolidated Profit and Loss Account
For The Year Ended 28 February 2014**

	Notes	2014 £	2013 £
TURNOVER		6,768,191	6,444,409
Cost of sales		<u>3,401,838</u>	<u>3,159,593</u>
GROSS PROFIT		3,366,353	3,284,816
Administrative expenses		<u>3,171,218</u>	<u>3,265,665</u>
		195,135	19,151
Other operating income		<u>106,817</u>	<u>107,912</u>
OPERATING PROFIT	3	301,952	127,063
Interest payable and similar charges	4	<u>123,097</u>	<u>112,116</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		178,855	14,947
Tax on profit on ordinary activities	5	<u>48,086</u>	<u>13,469</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>130,769</u>	<u>1,478</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

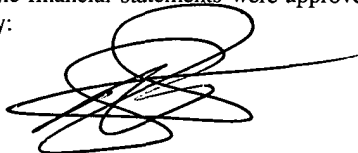
The notes form part of these financial statements

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Consolidated Balance Sheet
28 February 2014**

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		20,549		90,132
Tangible assets	8		4,903,921		4,957,697
Investments	9		-		-
			<u>4,924,470</u>		<u>5,047,829</u>
CURRENT ASSETS					
Stocks	10	1,623,655		1,683,358	
Debtors	11	143,797		246,246	
Cash at bank and in hand		35,524		29,462	
		<u>1,802,976</u>		<u>1,959,066</u>	
CREDITORS					
Amounts falling due within one year	12	2,030,795		2,249,930	
NET CURRENT LIABILITIES			<u>(227,819)</u>		<u>(290,864)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,696,651		4,756,965
CREDITORS					
Amounts falling due after more than one year	13		(2,260,954)		(2,459,336)
PROVISIONS FOR LIABILITIES	17		<u>(24,896)</u>		<u>(17,597)</u>
NET ASSETS			<u><u>2,410,801</u></u>		<u><u>2,280,032</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		2,332,468		2,332,468
Profit and loss account	19		(21,667)		(152,436)
SHAREHOLDERS' FUNDS	24		<u><u>2,410,801</u></u>		<u><u>2,280,032</u></u>

The financial statements were approved by the Board of Directors on 26 November 2014 and were signed on its behalf by:



N P Seaby - Director

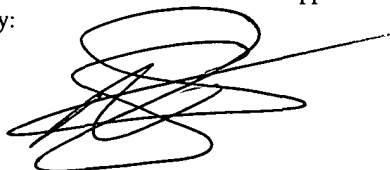
The notes form part of these financial statements

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Company Balance Sheet
28 February 2014**

		2014	2013
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	20,549	90,132
Tangible assets	8	4,903,921	4,957,697
Investments	9	204	204
		<u>4,924,674</u>	<u>5,048,033</u>
CURRENT ASSETS			
Stocks	10	1,623,655	1,683,358
Debtors	11	1,439,685	1,105,988
		<u>3,063,340</u>	<u>2,789,346</u>
CREDITORS			
Amounts falling due within one year	12	4,514,752	4,082,103
NET CURRENT LIABILITIES		<u>(1,451,412)</u>	<u>(1,292,757)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,473,262</u>	<u>3,755,276</u>
CREDITORS			
Amounts falling due after more than one year	13	(2,260,954)	(2,459,336)
PROVISIONS FOR LIABILITIES	17	(24,896)	(17,597)
NET ASSETS		<u><u>1,187,412</u></u>	<u><u>1,278,343</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100,000	100,000
Revaluation reserve	19	2,332,468	2,332,468
Profit and loss account	19	(1,245,056)	(1,154,125)
SHAREHOLDERS' FUNDS	24	<u><u>1,187,412</u></u>	<u><u>1,278,343</u></u>

The financial statements were approved by the Board of Directors on 26 November 2014 and were signed on its behalf by:



N P Seaby - Director

The notes form part of these financial statements

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Consolidated Cash Flow Statement
For The Year Ended 28 February 2014**

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	1	464,570	237,552
Returns on investments and servicing of finance	2	(123,097)	(112,116)
Taxation		(23,122)	(10,633)
Capital expenditure	2	(80,430)	(35,851)
		<u>237,921</u>	<u>78,952</u>
Financing	2	(320,662)	(144,397)
Decrease in cash in the period		<u>(82,741)</u>	<u>(65,445)</u>
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(82,741)	(65,445)
Cash outflow from decrease in debt and lease financing		<u>328,295</u>	<u>268,401</u>
Change in net debt resulting from cash flows		<u>245,554</u>	<u>202,956</u>
Movement in net debt in the period		245,554	202,956
Net debt at 1 March		<u>(3,188,940)</u>	<u>(3,391,896)</u>
Net debt at 28 February		<u><u>(2,943,386)</u></u>	<u><u>(3,188,940)</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
For The Year Ended 28 February 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	301,952	127,063
Depreciation charges	203,468	209,573
Loss/(profit) on disposal of fixed assets	321	(6,768)
Decrease/(increase) in stocks	59,703	(25,967)
Decrease/(increase) in debtors	102,449	(57,171)
Decrease in creditors	(203,323)	(9,178)
Net cash inflow from operating activities	464,570	237,552

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(116,938)	(105,875)
Interest element of hire purchase payments	(6,159)	(6,241)
Net cash outflow for returns on investments and servicing of finance	(123,097)	(112,116)
Capital expenditure		
Purchase of intangible fixed assets	-	(27,500)
Purchase of tangible fixed assets	(80,972)	(15,119)
Sale of tangible fixed assets	542	6,768
Net cash outflow for capital expenditure	(80,430)	(35,851)
Financing		
Capital repayments in year	(20,331)	(24,019)
Amount introduced by directors	30,495	128,539
Bank loan repayments in year	(330,826)	(248,917)
Net cash outflow from financing	(320,662)	(144,397)

The notes form part of these financial statements

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Cash Flow Statement
For The Year Ended 28 February 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/3/13 £	Cash flow £	At 28/2/14 £
Net cash:			
Cash at bank and in hand	29,462	6,062	35,524
Bank overdraft	(323,594)	(88,803)	(412,397)
	<u>(294,132)</u>	<u>(82,741)</u>	<u>(376,873)</u>
Debt:			
Hire purchase	(35,543)	(2,531)	(38,074)
Debts falling due within one year	(407,476)	134,169	(273,307)
Debts falling due after one year	(2,451,789)	196,657	(2,255,132)
	<u>(2,894,808)</u>	<u>328,295</u>	<u>(2,566,513)</u>
Total	<u>(3,188,940)</u>	<u>245,554</u>	<u>(2,943,386)</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
For The Year Ended 28 February 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The directors confirm that the financial statements have been prepared on a going concern basis. Having paid particular attention to the period of a year from our approval of these financial statements, the directors have satisfied themselves that the company will have adequate financial resources so that it is appropriate to adopt this basis.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised when the goods are physically collected by the customer.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	2014 £	2013 £
Wages and salaries	1,741,975	1,842,186
Social security costs	16,165	17,192
Other pension costs	36,626	37,449
	<u>1,794,766</u>	<u>1,896,827</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Management	11	12
Other	88	93
	<u>99</u>	<u>105</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Hire of plant and machinery	22,003	18,690
Depreciation - owned assets	128,670	130,518
Depreciation - assets on hire purchase contracts	5,215	7,152
Loss/(profit) on disposal of fixed assets	321	(6,768)
Goodwill amortisation	65,000	65,000
Computer software amortisation	4,583	2,368
Auditors' remuneration	18,385	15,630
	<u>133,046</u>	<u>140,633</u>
Directors' remuneration	24,000	24,000
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>24,000</u>

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest and charges	116,938	105,875
Hire purchase	6,159	6,241
	<u>123,097</u>	<u>112,116</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	40,787	23,122
Deferred tax	7,299	(9,653)
Tax on profit on ordinary activities	<u>48,086</u>	<u>13,469</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>178,855</u>	<u>14,947</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	35,771	2,989
Effects of:		
Expenses not deductible for tax purposes	212	66
Depreciation in excess of capital allowances	7,391	20,067
Utilisation of tax losses	(4,409)	-
Marginal rate tax	1,822	-
Current tax charge	<u>40,787</u>	<u>23,122</u>

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(90,931) (2013 - £(8,988)).

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

7. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 March 2013 and 28 February 2014	<u>650,000</u>	<u>27,500</u>	<u>677,500</u>
AMORTISATION			
At 1 March 2013	585,000	2,368	587,368
Amortisation for year	<u>65,000</u>	<u>4,583</u>	<u>69,583</u>
At 28 February 2014	<u>650,000</u>	<u>6,951</u>	<u>656,951</u>
NET BOOK VALUE			
At 28 February 2014	<u>-</u>	<u>20,549</u>	<u>20,549</u>
At 28 February 2013	<u>65,000</u>	<u>25,132</u>	<u>90,132</u>

Company

	Goodwill £	Computer software £	Totals £
COST			
At 1 March 2013 and 28 February 2014	<u>650,000</u>	<u>27,500</u>	<u>677,500</u>
AMORTISATION			
At 1 March 2013	585,000	2,368	587,368
Amortisation for year	<u>65,000</u>	<u>4,583</u>	<u>69,583</u>
At 28 February 2014	<u>650,000</u>	<u>6,951</u>	<u>656,951</u>
NET BOOK VALUE			
At 28 February 2014	<u>-</u>	<u>20,549</u>	<u>20,549</u>
At 28 February 2013	<u>65,000</u>	<u>25,132</u>	<u>90,132</u>

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 March 2013	4,235,390	1,368,677	309,943
Additions	-	41,683	4,467
At 28 February 2014	4,235,390	1,410,360	314,410
DEPRECIATION			
At 1 March 2013	842,228	-	285,393
Charge for year	84,708	-	5,985
Eliminated on disposal	-	-	-
At 28 February 2014	926,936	-	291,378
NET BOOK VALUE			
At 28 February 2014	3,308,454	1,410,360	23,032
At 28 February 2013	3,393,162	1,368,677	24,550
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 March 2013	1,052,238	132,973	7,099,221
Additions	33,622	1,200	80,972
Disposals	-	(5,700)	(5,700)
At 28 February 2014	1,085,860	128,473	7,174,493
DEPRECIATION			
At 1 March 2013	902,305	111,598	2,141,524
Charge for year	38,461	4,731	133,885
Eliminated on disposal	-	(4,837)	(4,837)
At 28 February 2014	940,766	111,492	2,270,572
NET BOOK VALUE			
At 28 February 2014	145,094	16,981	4,903,921
At 28 February 2013	149,933	21,375	4,957,697

The Freehold Properties were revalued on the basis of an open market valuation for existing use in January 2011 by Messrs. Quinton Smith, Chartered Surveyors, London. The directors are of the opinion that there has been no diminution of value of the Freehold Properties between January 2011 and the accounting date.

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

8. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 28 February 2014 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2003	1,222,752	-	-
Valuation in 2007	373,535	-	-
Valuation in 2011	(108,524)	-	-
Cost	2,747,627	1,410,360	314,410
	<u>4,235,390</u>	<u>1,410,360</u>	<u>314,410</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,085,860	128,473	5,686,730
	<u>1,085,860</u>	<u>128,473</u>	<u>7,174,493</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 March 2013				
and 28 February 2014	<u>35,970</u>	<u>1,889</u>	<u>36,314</u>	<u>74,173</u>
DEPRECIATION				
At 1 March 2013	-	588	16,042	16,630
Charge for year	-	147	5,068	5,215
At 28 February 2014	<u>-</u>	<u>735</u>	<u>21,110</u>	<u>21,845</u>
NET BOOK VALUE				
At 28 February 2014	<u>35,970</u>	<u>1,154</u>	<u>15,204</u>	<u>52,328</u>
At 28 February 2013	<u>35,970</u>	<u>1,301</u>	<u>20,272</u>	<u>57,543</u>

Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014

8. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 March 2013	4,235,390	1,368,677	309,943
Additions	-	41,683	4,467
At 28 February 2014	4,235,390	1,410,360	314,410
DEPRECIATION			
At 1 March 2013	842,228	-	285,393
Charge for year	84,708	-	5,985
Eliminated on disposal	-	-	-
At 28 February 2014	926,936	-	291,378
NET BOOK VALUE			
At 28 February 2014	3,308,454	1,410,360	23,032
At 28 February 2013	3,393,162	1,368,677	24,550
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 March 2013	1,052,238	132,973	7,099,221
Additions	33,622	1,200	80,972
Disposals	-	(5,700)	(5,700)
At 28 February 2014	1,085,860	128,473	7,174,493
DEPRECIATION			
At 1 March 2013	902,305	111,598	2,141,524
Charge for year	38,461	4,731	133,885
Eliminated on disposal	-	(4,837)	(4,837)
At 28 February 2014	940,766	111,492	2,270,572
NET BOOK VALUE			
At 28 February 2014	145,094	16,981	4,903,921
At 28 February 2013	149,933	21,375	4,957,697

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014

8. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 28 February 2014 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2003	1,222,752	-	-
Valuation in 2007	373,535	-	-
Valuation in 2011	(108,524)	-	-
Cost	2,747,627	1,410,360	314,410
	<u>4,235,390</u>	<u>1,410,360</u>	<u>314,410</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,085,860	128,473	5,686,730
	<u>1,085,860</u>	<u>128,473</u>	<u>7,174,493</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 March 2013				
and 28 February 2014	<u>35,970</u>	<u>1,889</u>	<u>36,314</u>	<u>74,173</u>
DEPRECIATION				
At 1 March 2013	-	588	16,042	16,630
Charge for year	-	147	5,068	5,215
At 28 February 2014	<u>-</u>	<u>735</u>	<u>21,110</u>	<u>21,845</u>
NET BOOK VALUE				
At 28 February 2014	<u>35,970</u>	<u>1,154</u>	<u>15,204</u>	<u>52,328</u>
At 28 February 2013	<u>35,970</u>	<u>1,301</u>	<u>20,272</u>	<u>57,543</u>

Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014

9. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 March 2013
and 28 February 2014

204

NET BOOK VALUE

At 28 February 2014

204

At 28 February 2013

204

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Swallow Aquatics (Rayleigh) Limited

Country of incorporation: England

Nature of business: Retail Aqua-Life

Class of shares: % holding
Ordinary 100.00

	2014	2013
	£	£
Aggregate capital and reserves	987,966	891,039
Profit for the year	<u>96,927</u>	<u>153,407</u>

Swallow Aquatics (Harling) Limited

Country of incorporation: England

Nature of business: Retail Aqua-Life

Class of shares: % holding
Ordinary 100.00

	2014	2013
	£	£
Aggregate capital and reserves	(303,219)	(344,470)
Profit/(loss) for the year	<u>41,251</u>	<u>(43,014)</u>

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

9. FIXED ASSET INVESTMENTS - continued

Swallow Aquatics (Kent) Limited

Country of incorporation: England

Nature of business: Retail Aqua-Life

	%		
Class of shares:	holding		
Ordinary	100.00		
		2014	2013
		£	£
Aggregate capital and reserves		668,419	587,763
Profit/(loss) for the year		80,656	(45,929)

Swallow Aquatics (Colchester) Limited

Country of incorporation: England

Nature of business: Retail Aqua-Life

	%		
Class of shares:	holding		
Ordinary	100.00		
		2014	2013
		£	£
Aggregate capital and reserves		(129,576)	(132,445)
Profit/(loss) for the year		2,869	(54,002)

The company owns 100% of the issued share capital of Swallow Aquatics (Rayleigh) Limited, Swallow Aquatics (Harling) Limited, Swallow Aquatics (Kent) Limited and Swallow Aquatics (Colchester) Limited. All these companies are incorporated in England and Wales.

10. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stocks	1,623,655	1,683,358	1,623,655	1,683,358

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	19,591	58,912	12,480	12,322
Amounts owed by group undertakings	-	-	1,388,603	1,050,685
Other debtors	124,206	187,334	38,602	42,981
	143,797	246,246	1,439,685	1,105,988

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 14)	685,704	731,070	666,564	696,770
Hire purchase contracts (see note 15)	32,252	27,996	32,252	27,996
Trade creditors	726,784	807,724	614,382	671,822
Amounts owed to group undertakings	-	-	2,750,474	2,090,969
Tax	40,787	23,122	-	12,000
Social security and other taxes	26,719	33,673	6,515	12,433
VAT	129,218	104,019	130,920	104,019
Other creditors	119,349	285,430	63,381	246,325
Directors' current accounts	250,264	219,769	250,264	219,769
Accruals and deferred income	19,718	17,127	-	-
	<u>2,030,795</u>	<u>2,249,930</u>	<u>4,514,752</u>	<u>4,082,103</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 14)	2,255,132	2,451,789	2,255,132	2,451,789
Hire purchase contracts (see note 15)	5,822	7,547	5,822	7,547
	<u>2,260,954</u>	<u>2,459,336</u>	<u>2,260,954</u>	<u>2,459,336</u>

Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	412,397	323,594	393,257	289,294
Bank loans - due within one year	273,307	407,476	273,307	407,476
	<u>685,704</u>	<u>731,070</u>	<u>666,564</u>	<u>696,770</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	235,042	191,476	235,042	191,476
Amounts falling due between two and five years:				
Bank loans - 2-5 years	700,463	765,902	700,463	765,902
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more 5 yrs non-inst	1,220,000	975,618	1,220,000	975,618
Repayable by instalments				
Bank loans more 5 yr by instal	99,627	518,793	99,627	518,793

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group		Hire purchase contracts	
		2014	2013
		£	£
Net obligations repayable:			
Within one year		32,252	27,996
Between one and five years		5,822	7,547
		<u>38,074</u>	<u>35,543</u>
Company		Hire purchase contracts	
		2014	2013
		£	£
Net obligations repayable:			
Within one year		32,252	27,996
Between one and five years		5,822	7,547
		<u>38,074</u>	<u>35,543</u>

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS - continued

Amounts payable under hire purchase lease agreements are secured upon the assets concerned.

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank overdrafts	412,397	323,594	393,257	289,294
Bank loans	2,528,439	2,859,265	2,528,439	2,859,265
	<u>2,940,836</u>	<u>3,182,859</u>	<u>2,921,696</u>	<u>3,148,559</u>

Bank loans and overdrafts are secured by a first legal charge over the Rayleigh, Harling and Colchester freehold properties. In addition, the bank holds cross guarantees and debentures in relation to all of the group companies.

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred taxation	<u>24,896</u>	<u>17,597</u>	<u>24,896</u>	<u>17,597</u>

Group		Deferred tax
		£
Balance at 1 March 2013		17,597
Movement in year		<u>7,299</u>
Balance at 28 February 2014		<u>24,896</u>

Company		Deferred tax
		£
Balance at 1 March 2013		17,597
Movement in year		<u>7,299</u>
Balance at 28 February 2014		<u>24,896</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2014	2013
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

19. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 March 2013	(152,436)	2,332,468	2,180,032
Profit for the year	130,769		130,769
At 28 February 2014	<u>(21,667)</u>	<u>2,332,468</u>	<u>2,310,801</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 March 2013	(1,154,125)	2,332,468	1,178,343
Deficit for the year	(90,931)		(90,931)
At 28 February 2014	<u>(1,245,056)</u>	<u>2,332,468</u>	<u>1,087,412</u>

20. PENSION COMMITMENTS

The company operates a defined contribution scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

21. CONTINGENT LIABILITIES

The companies in the group have given unlimited cross-guarantees to its bankers.

22. RELATED PARTY DISCLOSURES

During the year the company sold goods in the normal course of business to Swallow Aquatics (Rayleigh) Limited, Swallow Aquatics (Harling) Limited, Swallow Aquatics (Colchester) Limited and Swallow Aquatics (Kent) Limited.

The price charged was the normal market price in the case of each individual sale.

At the Balance Sheet date the amount due to Swallow Aquatics (Rayleigh) Limited was £2,005,915 (2013 - £1,436,414), the amount due from Swallow Aquatics (Harling) Limited was £13,872 (2013 - £203,288), the amount due from Swallow Aquatics (Colchester) Limited was £1,272,853 (2013 - £794,809) and the amount due to Swallow Aquatics (Kent) Limited was £642,681 (2013 - £601,966).

The credit balance on Directors Loan Accounts at the Balance Sheet date was £250,264 (2013 - £219,769).

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of directors by virtue of their combined 100% shareholding. No individual director has ultimate control of the company.

MELDONGREEN (GROUP) LIMITED (REGISTERED NUMBER: 01421946)

**Notes to the Consolidated Financial Statements - continued
For The Year Ended 28 February 2014**

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014	2013
	£	£
Profit for the financial year	130,769	1,478
Net addition to shareholders' funds	130,769	1,478
Opening shareholders' funds	2,280,032	2,278,554
Closing shareholders' funds	2,410,801	2,280,032

Company

	2014	2013
	£	£
Loss for the financial year	(90,931)	(8,988)
Net reduction of shareholders' funds	(90,931)	(8,988)
Opening shareholders' funds	1,278,343	1,287,331
Closing shareholders' funds	1,187,412	1,278,343