

**MELDONGREEN LIMITED**  
**Group Strategic Report,**  
**Report of the Directors and**  
**Consolidated Financial Statements**  
**For The Year Ended 28 February 2015**

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**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Contents of the Consolidated Financial Statements  
For The Year Ended 28 February 2015**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Consolidated Profit and Loss Account</b>	<b>6</b>
<b>Consolidated Balance Sheet</b>	<b>7</b>
<b>Company Balance Sheet</b>	<b>8</b>
<b>Consolidated Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>12</b>

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**MELDONGREEN LIMITED**  
**Company Information**  
**For The Year Ended 28 February 2015**

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**DIRECTORS:**

M 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 2015**

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The directors present their strategic report of the company and the group for the year ended 28 February 2015.

**REVIEW OF BUSINESS**

The profit and loss account is set out on page 6 and shows a 3.4% increase in turnover for the year at £6,998,850 (2014: £6,768,191) and consistent profit for the year of £176,944 (2014: £178,855). The performance over these two years shows a marked improvement over recent years which is most encouraging.

Turnover has increased in the year as trading conditions have continued to improve following a protracted recessionary period. 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 2015/16 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.

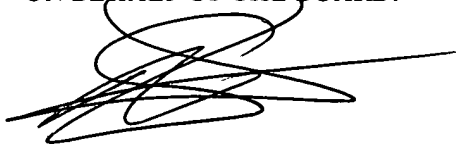
The company monitors cash flow as part of its day to day control procedures, the Finance Director considers cash flow projections on an ongoing basis and ensures that appropriate facilities are available to be drawn upon as necessary.

**OUTLOOK**

The business continues to keep the performance of all sites under review. Both 2014/15 and 2013/14 have seen a significant improvement over prior years 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

16 October 2015

**Report of the Directors  
For The Year Ended 28 February 2015**

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The directors present their report with the financial statements of the company and the group for the year ended 28 February 2015.

**DIVIDENDS**

No dividends will be distributed for the year ended 28 February 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 March 2014 to the date of this report.

M Seaby  
N P Seaby

Other changes in directors holding office are as follows:

Mrs D R Seaby - resigned 6 November 2014

**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.

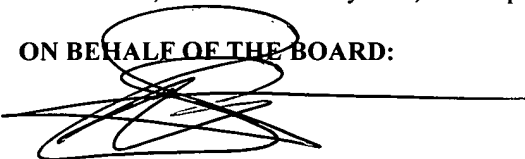
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 ought to have taken as a director in order to make himself 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

16 October 2015

## **Report of the Independent Auditors to the Members of Meldongreen Limited**

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We have audited the financial statements of Meldongreen Limited for the year ended 28 February 2015 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 2015 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 Limited**

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**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

16 October 2015

**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Consolidated Profit and Loss Account  
For The Year Ended 28 February 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>		<b>6,998,850</b>	<b>6,768,191</b>
Cost of sales		<u>3,706,362</u>	<u>3,401,838</u>
<b>GROSS PROFIT</b>		<b>3,292,488</b>	<b>3,366,353</b>
Administrative expenses		<u>3,007,970</u>	<u>3,075,218</u>
		<b>284,518</b>	<b>291,135</b>
Other operating income		<u>12,575</u>	<u>10,817</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>297,093</b>	<b>301,952</b>
Interest payable and similar charges	<b>4</b>	<u>120,149</u>	<u>123,097</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>176,944</b>	<b>178,855</b>
Tax on profit on ordinary activities	<b>5</b>	<u>18,687</u>	<u>48,086</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u><b>158,257</b></u>	<u><b>130,769</b></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

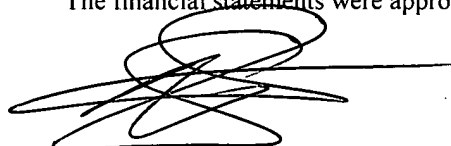


**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Consolidated Balance Sheet  
28 February 2015**

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7		18,218		20,549
Tangible assets	8		4,849,691		4,903,921
Investments	9		-		-
			<u>4,867,909</u>		<u>4,924,470</u>
<b>CURRENT ASSETS</b>					
Stocks	10	1,733,257		1,623,655	
Debtors	11	211,310		143,797	
Cash at bank and in hand		53,695		35,524	
		<u>1,998,262</u>		<u>1,802,976</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	2,261,124		2,030,795	
<b>NET CURRENT LIABILITIES</b>			<u>(262,862)</u>		<u>(227,819)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,605,047</u>		<u>4,696,651</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(2,028,872)		(2,260,954)
<b>PROVISIONS FOR LIABILITIES</b>	17		(7,117)		(24,896)
<b>NET ASSETS</b>			<u><u>2,569,058</u></u>		<u><u>2,410,801</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		2,332,468		2,332,468
Profit and loss account	19		136,590		(21,667)
<b>SHAREHOLDERS' FUNDS</b>	24		<u><u>2,569,058</u></u>		<u><u>2,410,801</u></u>

The financial statements were approved by the Board of Directors on 16 October 2015 and were signed on its behalf by:



N P Seaby - Director

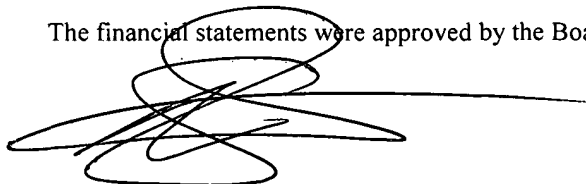
The notes form part of these financial statements

**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Company Balance Sheet  
28 February 2015**

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7		18,218		20,549
Tangible assets	8		4,849,691		4,903,921
Investments	9		204		204
			<u>4,868,113</u>		<u>4,924,674</u>
<b>CURRENT ASSETS</b>					
Stocks	10	1,733,257		1,623,655	
Debtors	11	2,095,522		1,439,685	
		<u>3,828,779</u>		<u>3,063,340</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	5,296,990		4,514,752	
<b>NET CURRENT LIABILITIES</b>			<u>(1,468,211)</u>		<u>(1,451,412)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,399,902</u>		<u>3,473,262</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(2,028,872)		(2,260,954)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(7,117)</u>		<u>(24,896)</u>
<b>NET ASSETS</b>			<u><u>1,363,913</u></u>		<u><u>1,187,412</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		2,332,468		2,332,468
Profit and loss account	19		<u>(1,068,555)</u>		<u>(1,245,056)</u>
<b>SHAREHOLDERS' FUNDS</b>	24		<u><u>1,363,913</u></u>		<u><u>1,187,412</u></u>

The financial statements were approved by the Board of Directors on 16 October 2015 and were signed on its behalf by:



N P Seaby - Director

The notes form part of these financial statements

**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Consolidated Cash Flow Statement  
For The Year Ended 28 February 2015**

		2015		2014	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		597,877		464,570
<b>Returns on investments and servicing of finance</b>	2		(120,149)		(123,097)
<b>Taxation</b>			(40,787)		(23,122)
<b>Capital expenditure</b>	2		(80,453)		(80,430)
			<u>356,488</u>		<u>237,921</u>
<b>Financing</b>	2		(335,989)		(320,662)
<b>Increase/(decrease) in cash in the period</b>			<u>20,499</u>		<u>(82,741)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase/(decrease) in cash in the period		20,499		(82,741)	
Cash outflow from decrease in debt and lease financing		<u>285,786</u>		<u>328,295</u>	
Change in net debt resulting from cash flows			<u>306,285</u>		<u>245,554</u>
<b>Movement in net debt in the period</b>			306,285		245,554
<b>Net debt at 1 March</b>			<u>(2,943,386)</u>		<u>(3,188,940)</u>
<b>Net debt at 28 February</b>			<u>(2,637,101)</u>		<u>(2,943,386)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
For The Year Ended 28 February 2015

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

	2015 £	2014 £
Operating profit	297,093	301,952
Depreciation charges	137,011	203,468
Loss on disposal of fixed assets	1	321
(Increase)/decrease in stocks	(109,602)	59,703
(Increase)/decrease in debtors	(67,513)	102,449
Increase/(decrease) in creditors	340,887	(203,323)
<b>Net cash inflow from operating activities</b>	<b>597,877</b>	<b>464,570</b>

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(112,016)	(116,938)
Interest element of hire purchase payments	(8,133)	(6,159)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(120,149)</b>	<b>(123,097)</b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(2,615)	-
Purchase of tangible fixed assets	(77,838)	(80,972)
Sale of tangible fixed assets	-	542
<b>Net cash outflow for capital expenditure</b>	<b>(80,453)</b>	<b>(80,430)</b>
<b>Financing</b>		
Capital repayments in year	(12,478)	(20,331)
Amount introduced by directors	-	30,495
Amount withdrawn by directors	(50,205)	-
Bank loan repayments in year	(273,306)	(330,826)
<b>Net cash outflow from financing</b>	<b>(335,989)</b>	<b>(320,662)</b>

The notes form part of these financial statements

**MELDONGREEN LIMITED (REGISTERED NUMBER: 01421946)**

**Notes to the Consolidated Cash Flow Statement  
For The Year Ended 28 February 2015**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/3/14 £	Cash flow £	At 28/2/15 £
Net cash:			
Cash at bank and in hand	35,524	18,171	53,695
Bank overdraft	(412,397)	2,328	(410,069)
	<u>(376,873)</u>	<u>20,499</u>	<u>(356,374)</u>
Debt:			
Hire purchase	(38,074)	12,478	(25,596)
Debts falling due within one year	(273,307)	38,265	(235,042)
Debts falling due after one year	(2,255,132)	235,043	(2,020,089)
	<u>(2,566,513)</u>	<u>285,786</u>	<u>(2,280,727)</u>
Total	<u>(2,943,386)</u>	<u>306,285</u>	<u>(2,637,101)</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements  
For The Year Ended 28 February 2015

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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	- Straight line over 50 years
Improvements to property	- not provided
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 2015

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

	2015	2014
	£	£
Wages and salaries	1,759,986	1,741,975
Social security costs	9,258	16,165
Other pension costs	36,572	36,626
	<u>1,805,816</u>	<u>1,794,766</u>

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

	2015	2014
Management	10	11
Other	131	88
	<u>141</u>	<u>99</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Hire of plant and machinery	21,835	22,003
Depreciation - owned assets	127,977	128,670
Depreciation - assets on hire purchase contracts	4,090	5,215
Loss on disposal of fixed assets	1	321
Goodwill amortisation	-	65,000
Computer software amortisation	4,946	4,583
Auditors' remuneration	18,690	18,385
	<u>18,690</u>	<u>18,385</u>
Directors' remuneration	91,502	133,046
Directors' pension contributions to money purchase schemes	24,000	24,000
	<u>24,000</u>	<u>24,000</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest and charges	112,016	116,938
Hire purchase	8,133	6,159
	<u>120,149</u>	<u>123,097</u>

5. TAXATION

**Analysis of the tax charge**

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

	2015	2014
	£	£
Current tax:		
UK corporation tax	36,466	40,787
Deferred tax	(17,779)	7,299
Tax on profit on ordinary activities	<u>18,687</u>	<u>48,086</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:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>176,944</u>	<u>178,855</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	35,389	35,771
Effects of:		
Expenses not deductible for tax purposes	45	212
Depreciation in excess of capital allowances	26,414	7,391
Utilisation of tax losses	(26,519)	(4,409)
Marginal rate tax	1,137	1,822
Current tax charge	<u>36,466</u>	<u>40,787</u>

6. PROFIT 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 profit for the financial year was £176,501 (2014 - £(90,931) loss).



Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

7. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
<b>COST</b>			
At 1 March 2014	650,000	27,500	677,500
Additions	-	2,615	2,615
	<u>650,000</u>	<u>30,115</u>	<u>680,115</u>
At 28 February 2015	650,000	30,115	680,115
<b>AMORTISATION</b>			
At 1 March 2014	650,000	6,951	656,951
Amortisation for year	-	4,946	4,946
	<u>650,000</u>	<u>11,897</u>	<u>661,897</u>
At 28 February 2015	650,000	11,897	661,897
<b>NET BOOK VALUE</b>			
At 28 February 2015	-	18,218	18,218
	<u>-</u>	<u>18,218</u>	<u>18,218</u>
At 28 February 2014	-	20,549	20,549
	<u>-</u>	<u>20,549</u>	<u>20,549</u>

Company

	Goodwill £	Computer software £	Totals £
<b>COST</b>			
At 1 March 2014	650,000	27,500	677,500
Additions	-	2,615	2,615
	<u>650,000</u>	<u>30,115</u>	<u>680,115</u>
At 28 February 2015	650,000	30,115	680,115
<b>AMORTISATION</b>			
At 1 March 2014	650,000	6,951	656,951
Amortisation for year	-	4,946	4,946
	<u>650,000</u>	<u>11,897</u>	<u>661,897</u>
At 28 February 2015	650,000	11,897	661,897
<b>NET BOOK VALUE</b>			
At 28 February 2015	-	18,218	18,218
	<u>-</u>	<u>18,218</u>	<u>18,218</u>
At 28 February 2014	-	20,549	20,549
	<u>-</u>	<u>20,549</u>	<u>20,549</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 March 2014	4,235,390	1,410,360	314,410
Additions	-	19,835	1,565
At 28 February 2015	4,235,390	1,430,195	315,975
<b>DEPRECIATION</b>			
At 1 March 2014	926,936	-	291,378
Charge for year	84,708	-	5,494
Eliminated on disposal	-	-	-
At 28 February 2015	1,011,644	-	296,872
<b>NET BOOK VALUE</b>			
At 28 February 2015	3,223,746	1,430,195	19,103
At 28 February 2014	3,308,454	1,410,360	23,032
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 March 2014	1,085,860	128,473	7,174,493
Additions	56,438	-	77,838
Disposals	(1,821)	-	(1,821)
At 28 February 2015	1,140,477	128,473	7,250,510
<b>DEPRECIATION</b>			
At 1 March 2014	940,766	111,492	2,270,572
Charge for year	38,046	3,819	132,067
Eliminated on disposal	(1,820)	-	(1,820)
At 28 February 2015	976,992	115,311	2,400,819
<b>NET BOOK VALUE</b>			
At 28 February 2015	163,485	13,162	4,849,691
At 28 February 2014	145,094	16,981	4,903,921

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 the accounting policy in place gives a realistic estimate of the current valuation for existing use.

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

8. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 28 February 2015 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	1,430,195	315,975
	<u>4,235,390</u>	<u>1,430,195</u>	<u>315,975</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,140,477	128,473	5,762,747
	<u>1,140,477</u>	<u>128,473</u>	<u>7,250,510</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 £
<b>COST OR VALUATION</b>				
At 1 March 2014 and 28 February 2015	<u>35,970</u>	<u>1,889</u>	<u>36,314</u>	<u>74,173</u>
<b>DEPRECIATION</b>				
At 1 March 2014	-	735	21,110	21,845
Charge for year	-	289	3,801	4,090
At 28 February 2015	<u>-</u>	<u>1,024</u>	<u>24,911</u>	<u>25,935</u>
<b>NET BOOK VALUE</b>				
At 28 February 2015	<u>35,970</u>	<u>865</u>	<u>11,403</u>	<u>48,238</u>
At 28 February 2014	<u>35,970</u>	<u>1,154</u>	<u>15,204</u>	<u>52,328</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

8. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 March 2014	4,235,390	1,410,360	314,410
Additions	-	19,835	1,565
At 28 February 2015	4,235,390	1,430,195	315,975
<b>DEPRECIATION</b>			
At 1 March 2014	926,936	-	291,378
Charge for year	84,708	-	5,494
Eliminated on disposal	-	-	-
At 28 February 2015	1,011,644	-	296,872
<b>NET BOOK VALUE</b>			
At 28 February 2015	3,223,746	1,430,195	19,103
At 28 February 2014	3,308,454	1,410,360	23,032
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 March 2014	1,085,860	128,473	7,174,493
Additions	56,438	-	77,838
Disposals	(1,821)	-	(1,821)
At 28 February 2015	1,140,477	128,473	7,250,510
<b>DEPRECIATION</b>			
At 1 March 2014	940,766	111,492	2,270,572
Charge for year	38,046	3,819	132,067
Eliminated on disposal	(1,820)	-	(1,820)
At 28 February 2015	976,992	115,311	2,400,819
<b>NET BOOK VALUE</b>			
At 28 February 2015	163,485	13,162	4,849,691
At 28 February 2014	145,094	16,981	4,903,921

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

8. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 28 February 2015 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	1,430,195	315,975
	<u>4,235,390</u>	<u>1,430,195</u>	<u>315,975</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,140,477	128,473	5,762,747
	<u>1,140,477</u>	<u>128,473</u>	<u>7,250,510</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 £
<b>COST OR VALUATION</b>				
At 1 March 2014				
and 28 February 2015	<u>35,970</u>	<u>1,889</u>	<u>36,314</u>	<u>74,173</u>
<b>DEPRECIATION</b>				
At 1 March 2014	-	735	21,110	21,845
Charge for year	-	289	3,801	4,090
At 28 February 2015	<u>-</u>	<u>1,024</u>	<u>24,911</u>	<u>25,935</u>
<b>NET BOOK VALUE</b>				
At 28 February 2015	<u>35,970</u>	<u>865</u>	<u>11,403</u>	<u>48,238</u>
At 28 February 2014	<u>35,970</u>	<u>1,154</u>	<u>15,204</u>	<u>52,328</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
<b>COST</b>	
At 1 March 2014	
and 28 February 2015	<u>204</u>
<b>NET BOOK VALUE</b>	
At 28 February 2015	<u>204</u>
At 28 February 2014	<u>204</u>

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

	% holding	2015 £	2014 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>968,281</u>	<u>987,966</u>
(Loss)/profit for the year		<u>(19,685)</u>	<u>96,927</u>

**Swallow Aquatics (Harling) Limited**

Country of incorporation: England

Nature of business: Retail Aqua-Life

	% holding	2015 £	2014 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>(344,299)</u>	<u>(303,219)</u>
(Loss)/profit for the year		<u>(41,080)</u>	<u>41,251</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

9. FIXED ASSET INVESTMENTS - continued

**Swallow Aquatics (Kent) Limited**  
Country of incorporation: England  
Nature of business: Retail Aqua-Life

	% holding	2015 £	2014 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		697,868	668,419
Profit for the year		29,449	80,656

**Swallow Aquatics (Colchester) Limited**  
Country of incorporation: England  
Nature of business: Retail Aqua-Life

	% holding	2015 £	2014 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(116,502)	(129,576)
Profit for the year		13,074	2,869

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	
	2015 £	2014 £	2015 £	2014 £
Stocks	1,733,257	1,623,655	1,733,257	1,623,655

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	18,569	19,591	12,550	12,480
Amounts owed by group undertakings	-	-	1,968,337	1,388,603
Other debtors	192,741	124,206	114,635	38,602
	211,310	143,797	2,095,522	1,439,685

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 14)	645,111	685,704	612,102	666,564
Hire purchase contracts (see note 15)	16,813	32,252	16,813	32,252
Trade creditors	1,062,848	726,784	954,321	614,382
Amounts owed to group undertakings	-	-	3,316,892	2,750,474
Tax	36,466	40,787	28,700	-
Social security and other taxes	32,848	26,719	12,043	6,515
VAT	84,763	129,218	84,763	130,920
Other creditors	146,166	119,349	71,297	63,381
Directors' current accounts	200,059	250,264	200,059	250,264
Accruals and deferred income	36,050	19,718	-	-
	<u>2,261,124</u>	<u>2,030,795</u>	<u>5,296,990</u>	<u>4,514,752</u>

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 14)	2,020,089	2,255,132	2,020,089	2,255,132
Hire purchase contracts (see note 15)	8,783	5,822	8,783	5,822
	<u>2,028,872</u>	<u>2,260,954</u>	<u>2,028,872</u>	<u>2,260,954</u>



Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	410,069	412,397	377,060	393,257
Bank loans - due within one year	235,042	273,307	235,042	273,307
	<u>645,111</u>	<u>685,704</u>	<u>612,102</u>	<u>666,564</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	248,234	235,042	248,234	235,042
Amounts falling due between two and five years:				
Bank loans - 2-5 years	551,855	700,463	551,855	700,463
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more 5 yrs non-inst	1,220,000	1,220,000	1,220,000	1,220,000
Repayable by instalments				
Bank loans more 5 yr by instal	-	99,627	-	99,627

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group

	Hire purchase contracts	
	2015	2014
	£	£
Net obligations repayable:		
Within one year	16,813	32,252
Between one and five years	8,783	5,822
	<u>25,596</u>	<u>38,074</u>

Company

	Hire purchase contracts	
	2015	2014
	£	£
Net obligations repayable:		
Within one year	16,813	32,252
Between one and five years	8,783	5,822
	<u>25,596</u>	<u>38,074</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

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	
	2015	2014	2015	2014
	£	£	£	£
Bank overdrafts	410,069	412,397	377,060	393,257
Bank loans	2,255,131	2,528,439	2,255,131	2,528,439
	<u>2,665,200</u>	<u>2,940,836</u>	<u>2,632,191</u>	<u>2,921,696</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	
	2015	2014	2015	2014
	£	£	£	£
Deferred taxation	<u>7,117</u>	<u>24,896</u>	<u>7,117</u>	<u>24,896</u>

Group

	Deferred tax £
Balance at 1 March 2014	24,896
Movement in year	(17,779)
Balance at 28 February 2015	<u>7,117</u>

Company

	Deferred tax £
Balance at 1 March 2014	24,896
Movement in year	(17,779)
Balance at 28 February 2015	<u>7,117</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

19. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 March 2014	(21,667)	2,332,468	2,310,801
Profit for the year	158,257		158,257
At 28 February 2015	136,590	2,332,468	2,469,058

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 March 2014	(1,245,056)	2,332,468	1,087,412
Profit for the year	176,501		176,501
At 28 February 2015	(1,068,555)	2,332,468	1,263,913

20. PENSION COMMITMENTS

The company operates a defined contribution scheme for the benefit of 1 of the group's 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 £2,395,803 (2014 - £2,005,915), the amount due to Swallow Aquatics (Harling) Limited was £263,674 (2014 - £13,872), the amount due from Swallow Aquatics (Colchester) Limited was £1,935,041 (2014 - £1,272,853) and the amount due to Swallow Aquatics (Kent) Limited was £624,118 (2014 - £642,681).

The credit balance on Directors Loan Accounts at the Balance Sheet date was £200,059 (2014 - £250,264).

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.

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28 February 2015

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	2015 £	2014 £
Profit for the financial year	158,257	130,769
<b>Net addition to shareholders' funds</b>	<b>158,257</b>	<b>130,769</b>
Opening shareholders' funds	2,410,801	2,280,032
<b>Closing shareholders' funds</b>	<b>2,569,058</b>	<b>2,410,801</b>

**Company**

	2015 £	2014 £
Profit/(loss) for the financial year	176,501	(90,931)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>176,501</b>	<b>(90,931)</b>
Opening shareholders' funds	1,187,412	1,278,343
<b>Closing shareholders' funds</b>	<b>1,363,913</b>	<b>1,187,412</b>