REGISTERED NUMBER: 01421946 (England and Wales)

MELDONGREEN LIMITED

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

For The Year Ended 28th February 2019

Contents of the Consolidated Financial Statements
For The Year Ended 28th February 2019

Company Information
For The Year Ended 28th February 2019

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 (England and Wales)
BANKERS:	Clydesdale Bank Plc 30 Lombard Street London EC3V 9BB

Group Strategic Report
For The Year Ended 28th February 2019

The directors present their strategic report of the company and the group for the year ended 28th February 2019.

REVIEW OF BUSINESS
2018/19 was a challenging and loss-making year for the business where we experienced a difficult retail environment characterised by a lack of confidence due to the uncertainty around our exit from the European Union and further dampened by unseasonal weather especially in the first half. We have also seen challenges from a combination of road-works and general economic uncertainty.

As a consequence, we undertook a restructure to slim down our cost base in the second half which came into effect before the new financial year. In addition, we followed up with a strategic review in Spring 2019 which has resulted in a number of actions including both re-setting the trading performance as well as looking to generate significant funds from underutilised assets.

We are seeing the benefit of our actions in 2019/20 both in trading terms as well as reduced working capital with the sale of land and assets underway. It is anticipated that the full impact will be seen by the end of the financial year 2020/21.

The profit and loss account is set out on page 7 and shows a drop in turnover to £6,845,717 (2018: £7,451,270), and as mentioned, we did see a sizeable impact on profitability in the year. The loss was £272,684 compared to a loss of £122,818 in 2018.

During this difficult period our staff have risen to the challenge and we would like to thank them and our management team who continue to keep us in the Premier League for the industry, with hard work, a strong customer service ethos and an innovative approach to our market place.

PRINCIPAL RISKS AND UNCERTAINTIES
The retail market in general has been challenging, and 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.

We have brought in improved visibility of performance and stock to the business down to site and product level. This change will help each site manager better trade their business and allow us to understand and better satisfy our customers and have better control of stock.

To support us during a year of change we have a retail expert who is helping to drive the changes and coach the team on best practice.

Capital expenditure is closely controlled and it is anticipated that we will keep tight for the current year given the changes we are undertaking and review as part of the budget for 2020/21. The cash flow is managed as part of the daily/weekly control procedures and are within our facilities.

OUTLOOK

As a result of our strategic review we are confident about the future and a potentially smaller business with the converting of non-performing assets into cash. This is supported by an improved trading performance and better information and processes to understand and respond to customer demand.

The Directors will continue to keep the performance of all sites under review and take a cautious view of the market place although will continue to offer customer new products and great customer service

ON BEHALF OF THE BOARD:

N P Seaby - Secretary

27th November 2019

Report of the Directors
For The Year Ended 28th February 2019

The directors present their report with the financial statements of the company and the group for the year ended 28th February 2019.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of a parent company, providing expertise, finance, goods at wholesale prices and other services in line with those normally provided by a parent to its subsidiaries.

All of the company's subsidiaries continued their principle activity, being that of retail Aqua-Life and Fish Nursery Centres.

DIVIDENDS
No dividends will be distributed for the year ended 28th February 2019.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st March 2018 to the date of this report.

M Seaby
N P Seaby

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, 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 Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N P Seaby - Secretary

27th November 2019

Opinion
We have audited the financial statements of Meldongreen Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28th February 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 28th February 2019 and of the group's loss 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.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

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

27th November 2019

Consolidated Statement of Comprehensive Income
For The Year Ended 28th February 2019

	Notes	2019 £	2018 £
TURNOVER		**6,845,717**	7,451,270
Cost of sales		**3,892,809**	4,213,333
GROSS PROFIT		**2,952,908**	3,237,937
Administrative expenses		**3,143,270**	3,283,589
		(190,362)	(45,652)
Other operating income		**20,750**	15,200
OPERATING LOSS	4	**(169,612)**	(30,452)
Interest payable and similar expenses	5	**103,072**	92,366
LOSS BEFORE TAXATION		**(272,684)**	(122,818)
Tax on loss	6	**(40,351)**	(18,259)
LOSS FOR THE FINANCIAL YEAR		**(232,333)**	(104,559)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(232,333)**	(104,559)
Loss attributable to:			
Owners of the parent		**(232,333)**	(104,559)
Total comprehensive income attributable to:			
Owners of the parent		**(232,333)**	(104,559)

The notes form part of these financial statements

Consolidated Balance Sheet
28th February 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	8		**3,795**		7,910
Tangible assets	9		**5,435,822**		5,609,455
Investments	10		**-**		-
			5,439,617		5,617,365
CURRENT ASSETS					
Stocks	11	**1,763,427**		2,153,377	
Debtors	12	**376,507**		411,274	
Cash in hand		**19,729**		38,022	
		2,159,663		2,602,673	
CREDITORS					
Amounts falling due within one year	13	**2,619,232**		2,610,431	
NET CURRENT LIABILITIES			**(459,569)**		(7,758)
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,980,048**		5,609,607
CREDITORS					
Amounts falling due after more than one year	14		**(1,501,198)**		(1,886,185)
PROVISIONS FOR LIABILITIES	19		**(144,880)**		(157,119)
NET ASSETS			**3,333,970**		3,566,303
CAPITAL AND RESERVES					
Called up share capital	20		**100,000**		100,000
Revaluation reserve			**3,087,983**		3,087,983
Retained earnings			**145,987**		378,320
SHAREHOLDERS' FUNDS			**3,333,970**		3,566,303

The financial statements were approved by the Board of Directors on 27th November 2019 and were signed on its behalf by:

N P Seaby - Director

The notes form part of these financial statements

Company Balance Sheet
28th February 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	8		**3,795**		7,910
Tangible assets	9		**5,435,822**		5,609,455
Investments	10		**204**		204
			5,439,821		5,617,569
CURRENT ASSETS					
Stocks	11	**1,763,427**		2,153,377	
Debtors	12	**4,624,234**		4,217,759	
		6,387,661		6,371,136	
CREDITORS					
Amounts falling due within one year	13	**7,552,936**		7,310,241	
NET CURRENT LIABILITIES			**(1,165,275)**		(939,105)
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,274,546**		4,678,464
CREDITORS					
Amounts falling due after more than one year	14		**(1,501,198)**		(1,886,185)
PROVISIONS FOR LIABILITIES	19		**(144,880)**		(157,119)
NET ASSETS			**2,628,468**		2,635,160
CAPITAL AND RESERVES					
Called up share capital	20		**100,000**		100,000
Revaluation reserve			**3,087,983**		3,087,983
Retained earnings			**(559,515)**		(552,823)
SHAREHOLDERS' FUNDS			**2,628,468**		2,635,160
Company's (loss)/profit for the financial year			**(6,692)**		24,203

The financial statements were approved by the Board of Directors on 27th November 2019 and were signed on its behalf by:

N P Seaby - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
For The Year Ended 28th February 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st March 2017	100,000	482,879	3,087,983	3,670,862
Changes in equity				
Total comprehensive income	-	(104,559)	-	(104,559)
Balance at 28th February 2018	100,000	378,320	3,087,983	3,566,303
Changes in equity				
Total comprehensive income	-	(232,333)	-	(232,333)
Balance at 28th February 2019	100,000	145,987	3,087,983	3,333,970

The notes form part of these financial statements

Company Statement of Changes in Equity
For The Year Ended 28th February 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st March 2017	100,000	(577,026)	3,087,983	2,610,957
Changes in equity				
Total comprehensive income	-	24,203	-	24,203
Balance at 28th February 2018	100,000	(552,823)	3,087,983	2,635,160
Changes in equity				
Total comprehensive income	-	(6,692)	-	(6,692)
Balance at 28th February 2019	100,000	(559,515)	3,087,983	2,628,468

The notes form part of these financial statements

Consolidated Cash Flow Statement
For The Year Ended 28th February 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	**275,965**	(159,784)
Interest paid		**(87,749)**	(83,389)
Interest element of hire purchase payments paid		**(15,323)**	(8,977)
Tax paid		**(2)**	(35,114)
Net cash from operating activities		**172,891**	(287,264)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(24,689)**	(188,785)
Sale of tangible fixed assets		**50,992**	950
Net cash from investing activities		**26,303**	(187,835)
Cash flows from financing activities			
New loans in year		**-**	143,697
Loan repayments in year		**(313,172)**	-
Capital repayments in year		**(105,026)**	174,571
Amount introduced by directors		**8,519**	106,067
Amount withdrawn by directors		**(6,471)**	(8,881)
Net cash from financing activities		**(416,150)**	415,454
Decrease in cash and cash equivalents		**(216,956)**	(59,645)
Cash and cash equivalents at beginning of year	2	**(394,886)**	(335,241)
Cash and cash equivalents at end of year	2	**(611,842)**	(394,886)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
For The Year Ended 28th February 2019

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Loss before taxation	(272,684)	(122,818)
Depreciation charges	160,928	160,858
(Profit)/loss on disposal of fixed assets	(9,483)	1,000
Finance costs	103,072	92,366
	(18,167)	131,406
Decrease/(increase) in stocks	389,950	(246,429)
Decrease/(increase) in trade and other debtors	60,831	(177,783)
(Decrease)/increase in trade and other creditors	(156,649)	133,022
Cash generated from operations	275,965	(159,784)

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28th February 2019

	28/2/19	1/3/18
	£	£
Cash and cash equivalents	19,729	38,022
Bank overdrafts	(631,571)	(432,908)
	(611,842)	(394,886)

Year ended 28th February 2018

	28/2/18	1/3/17
	£	£
Cash and cash equivalents	38,022	40,551
Bank overdrafts	(432,908)	(375,792)
	(394,886)	(335,241)

1. STATUTORY INFORMATION

Meldongreen Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

Basis of consolidation
The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings made up to 28th February 2019. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Significant judgements and estimates
The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Revenue recognition
A key judgement in revenue recognition is to distinguish whether the goods have been dispatched and therefore to determine whether the revenue should be recognised. Invoices are raised at point of sale and monitored to ensure cut-off procedures are followed correctly.

Stock valuations
The group considers what value stock should be carried at given the varying type of stock offered. This is done by taking into accounts purchase price from supplier and costs of transit for imported items.

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.

continued...

2. ACCOUNTING POLICIES - continued

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

Business combinations and goodwill
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Goodwill is written off to the profit and loss account over its useful economic life. Where net assets in subsidiary companies do not support the value of goodwill then this is written off to the profit and loss account immediately.

All goodwill currently held has been fully amortised.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of six 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

At each reporting date, fixed assets are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in profit or loss.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss 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 profit or loss in the period to which they relate.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The company recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.

Trade and other receivables

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method less any impairment.

continued...

2. ACCOUNTING POLICIES - continued

Trade and other payables
Trade and other payables are measured at transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,832,797	1,980,216
Social security costs	16,696	17,967
Other pension costs	22,991	(35,704)
	1,872,484	1,962,479

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

	2019	2018
Management	3	3

The average number of employees by undertakings that were proportionately consolidated during the year was 128 (2018 - 138) .

Key management includes only directors and therefore no separate disclosure of key management remuneration will be made.

	2019	2018
	£	£
Directors' remuneration	96,016	111,859
Directors' pension contributions to money purchase schemes	9,375	(44,500)

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

continued...

4. OPERATING LOSS

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

	2019	2018
	£	£
Hire of plant and machinery	**5,341**	17,796
Depreciation - owned assets	**143,832**	133,075
Depreciation - assets on hire purchase contracts	**12,981**	21,264
(Profit)/loss on disposal of fixed assets	**(9,483)**	1,000
Computer software amortisation	**4,115**	6,519
Auditors' remuneration	**21,353**	22,600
Auditors' remuneration for non audit work	**4,640**	5,568

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest and charges	**87,749**	83,389
Hire purchase	**15,323**	8,977
	103,072	92,366

6. TAXATION

Analysis of the tax credit
The tax credit on the loss for the year was as follows:

	2019	2018
	£	£
Deferred tax	**(40,351)**	(18,259)
Tax on loss	**(40,351)**	(18,259)

Reconciliation of total tax credit included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	**(272,684)**	(122,818)
Loss multiplied by the standard rate of corporation tax in the UK of 0% (2018 - 0%)	**-**	-
Effects of:		
Deferred tax	**(40,351)**	(18,259)
Total tax credit	**(40,351)**	(18,259)

continued...

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Computer software	Totals
	£	£	£
COST			
At 1st March 2018			
and 28th February 2019	650,000	39,115	689,115
AMORTISATION			
At 1st March 2018	650,000	31,205	681,205
Amortisation for year	-	4,115	4,115
At 28th February 2019	650,000	35,320	685,320
NET BOOK VALUE			
At 28th February 2019	-	3,795	3,795
At 28th February 2018	-	7,910	7,910

Company

	Goodwill	Computer software	Totals
	£	£	£
COST			
At 1st March 2018			
and 28th February 2019	650,000	39,115	689,115
AMORTISATION			
At 1st March 2018	650,000	31,205	681,205
Amortisation for year	-	4,115	4,115
At 28th February 2019	650,000	35,320	685,320
NET BOOK VALUE			
At 28th February 2019	-	3,795	3,795
At 28th February 2018	-	7,910	7,910

continued...

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1st March 2018	4,143,390	1,506,869	361,105
Additions	-	-	3,649
At 28th February 2019	4,143,390	1,506,869	364,754
DEPRECIATION			
At 1st March 2018	343,215	2,588	319,249
Charge for year	82,868	3,450	9,788
Eliminated on disposal	-	-	-
At 28th February 2019	426,083	6,038	329,037
NET BOOK VALUE			
At 28th February 2019	3,717,307	1,500,831	35,717
At 28th February 2018	3,800,175	1,504,281	41,856

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st March 2018	1,314,049	143,443	7,468,856
Additions	21,040	-	24,689
Disposals	(30,979)	(68,150)	(99,129)
At 28th February 2019	1,304,110	75,293	7,394,416
DEPRECIATION			
At 1st March 2018	1,099,010	95,339	1,859,401
Charge for year	51,404	9,303	156,813
Eliminated on disposal	(27,350)	(30,270)	(57,620)
At 28th February 2019	1,123,064	74,372	1,958,594
NET BOOK VALUE			
At 28th February 2019	181,046	921	5,435,822
At 28th February 2018	215,039	48,104	5,609,455

The Freehold Properties were revalued on the basis of an open market valuation for existing use in October 2015 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.

continued...

9. **TANGIBLE FIXED ASSETS - continued**

Group

Cost or valuation at 28th February 2019 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	2,655,627	1,506,869	364,754
	4,143,390	1,506,869	364,754

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,304,110	75,293	5,906,653
	1,304,110	75,293	7,394,416

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

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st March 2018	69,000	26,995	68,150	164,145
Disposals	-	-	(68,150)	(68,150)
At 28th February 2019	69,000	26,995	-	95,995
DEPRECIATION				
At 1st March 2018	2,588	7,726	25,556	35,870
Charge for year	3,450	4,817	4,714	12,981
Eliminated on disposal	-	-	(30,270)	(30,270)
At 28th February 2019	6,038	12,543	-	18,581
NET BOOK VALUE				
At 28th February 2019	62,962	14,452	-	77,414
At 28th February 2018	66,412	19,269	42,594	128,275

continued...

9. **TANGIBLE FIXED ASSETS - continued**

Company

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1st March 2018	4,143,390	1,506,869	361,105
Additions	-	-	3,649
At 28th February 2019	4,143,390	1,506,869	364,754
DEPRECIATION			
At 1st March 2018	343,215	2,588	319,249
Charge for year	82,868	3,450	9,788
Eliminated on disposal	-	-	-
At 28th February 2019	426,083	6,038	329,037
NET BOOK VALUE			
At 28th February 2019	3,717,307	1,500,831	35,717
At 28th February 2018	3,800,175	1,504,281	41,856

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st March 2018	1,314,049	143,443	7,468,856
Additions	21,040	-	24,689
Disposals	(30,979)	(68,150)	(99,129)
At 28th February 2019	1,304,110	75,293	7,394,416
DEPRECIATION			
At 1st March 2018	1,099,010	95,339	1,859,401
Charge for year	51,404	9,303	156,813
Eliminated on disposal	(27,350)	(30,270)	(57,620)
At 28th February 2019	1,123,064	74,372	1,958,594
NET BOOK VALUE			
At 28th February 2019	181,046	921	5,435,822
At 28th February 2018	215,039	48,104	5,609,455

continued...

9. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 28th February 2019 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	2,655,627	1,506,869	364,754
	4,143,390	1,506,869	364,754

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2003	-	-	1,222,752
Valuation in 2007	-	-	373,535
Valuation in 2011	-	-	(108,524)
Cost	1,304,110	75,293	5,906,653
	1,304,110	75,293	7,394,416

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

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1st March 2018	69,000	26,995	68,150	164,145
Disposals	-	-	(68,150)	(68,150)
At 28th February 2019	69,000	26,995	-	95,995
DEPRECIATION				
At 1st March 2018	2,588	7,726	25,556	35,870
Charge for year	3,450	4,817	4,714	12,981
Eliminated on disposal	-	-	(30,270)	(30,270)
At 28th February 2019	6,038	12,543	-	18,581
NET BOOK VALUE				
At 28th February 2019	62,962	14,452	-	77,414
At 28th February 2018	66,412	19,269	42,594	128,275

continued...

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertaking
	£
COST	
At 1st March 2018	
and 28th February 2019	**204**
NET BOOK VALUE	
At 28th February 2019	**204**
At 28th February 2018	204

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.

11. STOCKS

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Stocks	**1,763,427**	2,153,377	**1,763,427**	2,153,377

12. DEBTORS

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**27,060**	30,200	**26,325**	30,200
Amounts owed by group undertakings	**-**	-	**4,453,130**	3,990,197
Other debtors	**285,061**	342,752	**134,878**	185,413
Directors' current accounts	**6,833**	8,881	**6,833**	8,881
	318,954	381,833	**4,621,166**	4,214,691
Amounts falling due after more than one year:				
Deferred tax	**57,553**	29,441	**3,068**	3,068
Aggregate amounts	**376,507**	411,274	**4,624,234**	4,217,759

continued...

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans and overdrafts (see note 15)	**1,261,760**	1,079,310	**1,266,312**	1,062,484
Hire purchase contracts (see note 16)	**45,199**	62,199	**45,199**	62,199
Trade creditors	**854,104**	1,069,182	**723,196**	967,484
Amounts owed to group undertakings	**-**	-	**5,218,226**	4,976,581
Social security and other taxes	**24,480**	27,429	**4,141**	4,559
VAT	**203,194**	139,857	**203,194**	139,857
Other creditors	**97,406**	109,770	**26,945**	43,614
Accruals and deferred income	**133,089**	122,684	**65,723**	53,463
	2,619,232	2,610,431	**7,552,936**	7,310,241

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

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank loans (see note 15)	**1,390,788**	1,687,749	**1,390,788**	1,687,749
Hire purchase contracts (see note 16)	**110,410**	198,436	**110,410**	198,436
	1,501,198	1,886,185	**1,501,198**	1,886,185

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank overdrafts	**631,571**	432,908	**636,123**	416,082
Bank loans - due within one ye ar	**630,189**	646,402	**630,189**	646,402
	1,261,760	1,079,310	**1,266,312**	1,062,484
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**200,054**	296,961	**200,054**	296,961
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**1,190,734**	1,390,788	**1,190,734**	1,390,788

continued...

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	**45,199**	62,199
Between one and five years	**110,410**	198,436
	155,609	260,635

Company

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	**45,199**	62,199
Between one and five years	**110,410**	198,436
	155,609	260,635

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

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Bank overdrafts	**631,571**	432,908	**636,123**	416,082
Bank loans	**2,020,977**	2,334,151	**2,020,977**	2,334,151
	2,652,548	2,767,059	**2,657,100**	2,750,233

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.

continued...

18. FINANCIAL INSTRUMENTS

Group
The group has the following financial instruments:

	Note	Group £	Company £
Financial assets at fair value through profit or loss		-	-
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	12	30,200	30,200
- Other debtors	12	351,633	4,184,491
		351,633	4,214,691
Financial assets that are equity instruments measured at cost less impairment		-	-
Financial liabilities measured at amortised cost			
- Trade creditors	13	1,069,182	967,484
- Other creditors	13 - 14	3,427,434	8,228,942
		4,496,616	9,196,426

19. PROVISIONS FOR LIABILITIES

	Group		**Company**	
	2019	2018	**2019**	2018
	£	£	**£**	£
Deferred taxation	**144,880**	157,119	**144,880**	157,119

Group

	Deferred tax
	£
Balance at 1st March 2018	**157,119**
Provided during year	**(12,239)**
Balance at 28th February 2019	**144,880**

continued...

19. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1st March 2018	**157,119**
Credit to Income Statement during year	**(12,239)**
Charge on revaluation	
Balance at 28th February 2019	**144,880**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
100,000	Ordinary	£1	**100,000**	100,000

21. 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.

22. CONTINGENT LIABILITIES

The companies in the group have given unlimited cross-guarantees to it's bankers.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year directors were advanced an aggregated total of £6,833 (2018 - £8,881). These balances remained outstanding at the year-end.

24. 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.

25. 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.