

Company Registration No. 01421946 (England and Wales)

**MELDONGREEN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

# MELDONGREEN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M R Seaby Mr N P Seaby
<b>Secretary</b>	Mr M R Seaby
<b>Company number</b>	01421946
<b>Registered office</b>	1 Nelson Street Southend-On-Sea Essex United Kingdom SS1 1EG
<b>Auditor</b>	Azets Audit Services 1 Nelson Street Southend-On-Sea Essex United Kingdom SS1 1EG
<b>Bankers</b>	Clydesdale Bank Plc 30 Lombard Street London United Kingdom EC3V 9BB

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# MELDONGREEN LIMITED

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# MELDONGREEN LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JANUARY 2021

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The directors present the strategic report for the year ended 31 January 2021.

#### Business Review

When we were planning for the 2020/21 financial year we had a huge level of optimism, with an amazing amount of work having been progressed over the last few years reshaping our business. Little did we know what was to come. We, like most, had underestimated the incredible speed at which the Coronavirus took off in the UK, following many areas of the world that had been turned upside down. We drew up contingency plans as lockdowns were being discussed, with uncertainty as to what might constitute 'essential' retailing.

With a very shaky few weeks we saw our sites impacted in different ways. Although all our aquatics sites were open, our Mill Race Garden Centre had to close which impacted the aquatic sales on that site, as it seems many customers assumed it would be closed. However, we did see a strong sales performance in our other sites as travel was restricted and many were furloughed and able to take advantage of the sunshine and work on their hobbies. Although we did struggle for some stock lines we were able to support much of the demand. We are most grateful for Government support that we have had through rates relief, a grant and the Coronavirus Job Retention Scheme which has helped support the cost base of our business. It has allowed us to continue to provide a service to our customers and reduce the potential financial impact of the virus.

Our staff worked tirelessly in a difficult environment, with our stores operating in COVID secure ways and trying to meet demand which at times was unpredictable. We were also able in a few areas to make improvements to our sites, with contractors and materials at times proving to be a challenge. This work included a move and major revamp to our Coffee Shop at our Mill Race site, which unfortunately has had to be closed for large periods of time, but has proved very popular with our customers. We further enhanced this in the 2021/22 financial year with a revamp to the outside area.

We have continued to run projects to further enhance our sites and improve the retailing environment, with some major changes to displays as well as upgrades to lighting and filtration systems to reduce our carbon footprint and to lower our operating costs.

We did change our year end in 2019/20 to 31st January which means the comparative figures are twelve months versus eleven months. Our aim was to allow us to have our end of year stocktake away from our preparation for the start of the new trading season, so stocks are at lower levels to ease counting and staff are not distracted from preparations for the new season – which has proved to be very successful.

We continue to work to reduce our overall borrowings and to keep a tight control on stock levels. We did, however, make the decision to bring in seasonal stocks of garden furniture and BBQ's early as we believed there would be strong demand through COVID driven staycations, which lifted our stocks slightly higher at the 2021 year end.

The profit and loss account is set out on page 9 and shows a change in turnover for the year to £7,000,878 (Eleven months 2020: £6,452,139), and as mentioned, we did see a strong profit for the year of £428,285, compared to a profit of £123,754 for eleven months in 2020, which reflects the efforts of the staff and management team during a very unusual year.

We are pleased to report that with lockdown many customers have embarked on projects within their homes and gardens which we have provided the wherewithal to implement, and this has meant that trade has been brisk and we have outperformed our budgets. We know that there are still hard times to come, but we are pleased with the business's performance so far in 2021/21.

We would again like to thank our staff for their hard work and efforts during a year like no other for the business, and we are very grateful for their drive to keep us in the Premier League of the industry, with hard work, a strong customer service ethos and an innovative approach to our market place.

# **MELDONGREEN LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2021**

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### **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 now improved visibility of performance and stock to the business down to site and product level. This change has helped each site manager better trade their business and allow us to understand and better satisfy our customers and have better control of stock. During the 2020/21 year we also refreshed our retail point of sales systems and our website platforms, which will further improve the information we have to run our business.

Capital expenditure continues to be closely controlled, but we have created some headroom to progress a sensible level of renewals within the business. The cash flow is managed as part of the daily/weekly control procedures and are within our facilities.

We continue to monitor Government and Industry guidance on maintaining a safe retail environment for customers and staff during the continued Coronavirus crisis, implementing changes as required and we will continue to monitor risks and make further changes as required.

### **Outlook**

As a result of the strategic review we carried out we continue to be confident about the future of our business and it has allowed us to maintain the number of sites and to start to invest in them again. This is being 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 marketplace with the backdrop of the pandemic and we will continue to offer customers new products and great customer service.

On behalf of the board

Mr N P Seaby  
**Director**

27 August 2021

# MELDONGREEN LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2021

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The directors present their annual report and financial statements for the year ended 31 January 2021.

#### Principal activities

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.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M R Seaby

Mr N P Seaby

#### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid.

#### Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the group will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

**MELDONGREEN LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2021***

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On behalf of the board

Mr N P Seaby

**Director**

27 August 2021

# MELDONGREEN LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELDONGREEN LIMITED

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### Opinion

We have audited the financial statements of Meldongreen Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 31 January 2021 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.

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# **MELDONGREEN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MELDONGREEN LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 strategic report and the directors' report.

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 directors' responsibilities statement, 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 is 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 an auditor's report 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.

## MELDONGREEN LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MELDONGREEN LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **MELDONGREEN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MELDONGREEN LIMITED**

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#### **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 Azets Audit Services**

27 August 2021

**Accountants**  
**Statutory Auditor**

1 Nelson Street  
Southend-On-Sea  
Essex  
United Kingdom  
SS1 1EG

## MELDONGREEN LIMITED

### GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2021

		Year ended 31 January 2021 £	Period ended 31 January 2020 £
	Notes		
Turnover		7,000,878	6,452,139
Cost of sales		(3,882,740)	(3,604,594)
<b>Gross profit</b>		<b>3,118,138</b>	<b>2,847,545</b>
Administrative expenses		(2,889,189)	(2,683,501)
Other operating income		276,432	33,880
<b>Operating profit</b>	<b>3</b>	<b>505,381</b>	<b>197,924</b>
Interest payable and similar expenses	<b>7</b>	(77,096)	(74,170)
<b>Profit before taxation</b>		<b>428,285</b>	<b>123,754</b>
Tax on profit	<b>8</b>	(78,246)	(34,373)
<b>Profit for the financial year</b>		<b>350,039</b>	<b>89,381</b>

Profit for the financial year is all attributable to the owners of the parent company.

## MELDONGREEN LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 JANUARY 2021*

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	Year ended 31 January 2021 £	Period ended 31 January 2020 £
Profit for the year	350,039	89,381
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>350,039</b>	<b>89,381</b>

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Total comprehensive income for the year is all attributable to the owners of the parent company.

# MELDONGREEN LIMITED

## GROUP BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	9		7,863		2,020
Tangible assets	10		5,414,040		5,337,189
			<u>5,421,903</u>		<u>5,339,209</u>
<b>Current assets</b>					
Stocks	13	1,392,176		1,495,810	
Debtors	14	262,127		328,630	
Cash at bank and in hand		42,510		29,243	
		<u>1,696,813</u>		<u>1,853,683</u>	
<b>Creditors: amounts falling due within one year</b>	15	(1,940,099)		(2,338,836)	
<b>Net current liabilities</b>			<u>(243,286)</u>		<u>(485,153)</u>
<b>Total assets less current liabilities</b>			5,178,617		4,854,056
<b>Creditors: amounts falling due after more than one year</b>	16		(1,246,174)		(1,284,405)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	159,054		146,301	
		<u>(159,054)</u>		<u>(146,301)</u>	
<b>Net assets</b>			<u>3,773,389</u>		<u>3,423,350</u>
<b>Capital and reserves</b>					
Called up share capital	21		100,000		100,000
Revaluation reserve			3,087,983		3,087,983
Profit and loss reserves			585,406		235,367
<b>Total equity</b>			<u>3,773,389</u>		<u>3,423,350</u>

The financial statements were approved by the board of directors and authorised for issue on 27 August 2021 and are signed on its behalf by:

Mr N P Seaby  
Director

# MELDONGREEN LIMITED

## COMPANY BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	9		7,863		2,020
Tangible assets	10		5,414,040		5,337,189
Investments	11		204		204
			<u>5,422,107</u>		<u>5,339,413</u>
<b>Current assets</b>					
Stocks	13	1,392,176		1,495,810	
Debtors	14	4,964,187		5,018,881	
		<u>6,356,363</u>		<u>6,514,691</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(7,823,086)</u>		<u>(7,816,784)</u>	
<b>Net current liabilities</b>			<u>(1,466,723)</u>		<u>(1,302,093)</u>
<b>Total assets less current liabilities</b>			<u>3,955,384</u>		<u>4,037,320</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(1,202,841)</u>		<u>(1,284,405)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	19	<u>159,054</u>	<u>(159,054)</u>	<u>146,301</u>	<u>(146,301)</u>
<b>Net assets</b>			<u>2,593,489</u>		<u>2,606,614</u>
<b>Capital and reserves</b>					
Called up share capital	21		100,000		100,000
Revaluation reserve			3,087,983		3,087,983
Profit and loss reserves			<u>(594,494)</u>		<u>(581,369)</u>
<b>Total equity</b>			<u>2,593,489</u>		<u>2,606,614</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £13,126 (2020 - £21,854 loss).

The financial statements were approved by the board of directors and authorised for issue on 27 August 2021 and are signed on its behalf by:

Mr N P Seaby  
Director

Company Registration No. 01421946

# MELDONGREEN LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 March 2019</b>	100,000	3,087,983	145,986	3,333,969
<b>Period ended 31 January 2020:</b>				
Profit and total comprehensive income for the period	-	-	89,381	89,381
<b>Balance at 31 January 2020</b>	100,000	3,087,983	235,367	3,423,350
<b>Year ended 31 January 2021:</b>				
Profit and total comprehensive income for the year	-	-	350,039	350,039
<b>Balance at 31 January 2021</b>	100,000	3,087,983	585,406	3,773,389



**MELDONGREEN LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 JANUARY 2021**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 March 2019</b>	100,000	3,087,983	(559,515)	2,628,468
<b>Period ended 31 January 2020:</b>				
Loss and total comprehensive income for the period	-	-	(21,854)	(21,854)
<b>Balance at 31 January 2020</b>	100,000	3,087,983	(581,369)	2,606,614
<b>Year ended 31 January 2021:</b>				
Loss and total comprehensive income for the year	-	-	(13,125)	(13,125)
<b>Balance at 31 January 2021</b>	100,000	3,087,983	(594,494)	2,593,489

# MELDONGREEN LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2021

		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	983,499		290,258	
Interest paid		(77,096)		(74,170)	
<b>Net cash inflow from operating activities</b>		906,403		216,088	
<b>Investing activities</b>					
Purchase of intangible assets		(8,880)		-	
Purchase of tangible fixed assets		(221,203)		(33,943)	
Proceeds on disposal of tangible fixed assets		-		4,349	
Receipts arising from loans made		5,915		(8,028)	
<b>Net cash used in investing activities</b>		(224,168)		(37,622)	
<b>Financing activities</b>					
Repayment of bank loans		(415,218)		(263,646)	
Payment of finance leases obligations		923		(31,996)	
<b>Net cash used in financing activities</b>		(414,295)		(295,642)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		267,940		(117,176)	
Cash and cash equivalents at beginning of year		(729,019)		(611,843)	
<b>Cash and cash equivalents at end of year</b>		(461,079)		(729,019)	
<b>Relating to:</b>					
Cash at bank and in hand		42,510		29,243	
Bank overdrafts included in creditors payable within one year		(503,589)		(758,262)	

# MELDONGREEN LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2021

		2021	2020
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	1,015,721	290,479
Interest paid		(77,096)	(74,170)
<b>Net cash inflow from operating activities</b>		<u>938,625</u>	<u>216,309</u>
<b>Investing activities</b>			
Purchase of intangible assets		(8,880)	-
Purchase of tangible fixed assets		(221,203)	(33,943)
Proceeds on disposal of tangible fixed assets		-	4,349
Receipts arising from loans made		5,915	(8,028)
<b>Net cash used in investing activities</b>		<u>(224,168)</u>	<u>(37,622)</u>
<b>Financing activities</b>			
Repayment of bank loans		(465,218)	(263,646)
Payment of finance leases obligations		923	(31,996)
<b>Net cash used in financing activities</b>		<u>(464,295)</u>	<u>(295,642)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>250,162</u>	<u>(116,955)</u>
Cash and cash equivalents at beginning of year		(753,078)	(636,123)
<b>Cash and cash equivalents at end of year</b>		<u><u>(502,916)</u></u>	<u><u>(753,078)</u></u>
<b>Relating to:</b>			
Bank overdrafts included in creditors payable within one year		<u><u>(502,916)</u></u>	<u><u>(753,078)</u></u>

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

#### Company information

Meldongreen Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Nelson Street, Southend on Sea, Essex, SS1 1EG.

The group consists of Meldongreen Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

#### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Meldongreen Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 January 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 1 Accounting policies

(Continued)

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

All goodwill currently held has been fully amortised.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software

Straight line over 6 years

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 50 years
Leasehold improvements	Not provided
Plant and equipment	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### 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 types of stock offered. This is done by taking into account the purchase price from suppliers and costs of transit for imported items.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 3 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(239,766)	-
Depreciation of owned tangible fixed assets	138,117	121,790
Depreciation of tangible fixed assets held under finance leases	6,235	6,474
Profit on disposal of tangible fixed assets	-	(37)
Amortisation of intangible assets	3,037	1,775
Operating lease charges	(234,000)	(214,500)

### 4 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	18,160	16,260
Audit of the financial statements of the company's subsidiaries	7,680	6,955
	25,840	23,215

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management	119	119	3	3

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,762,709	1,523,579	328,129	279,972
Social security costs	15,802	14,684	14,765	14,291
Pension costs	25,704	21,267	7,920	7,225
	1,804,215	1,559,530	350,814	301,488

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	92,611	86,081
Company pension contributions to defined contribution schemes	7,920	7,225
	<u>100,531</u>	<u>93,306</u>

### 7 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	69,384	64,711
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	7,712	9,459
Total finance costs	<u>77,096</u>	<u>74,170</u>

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	48,716	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	29,530	34,373
Total tax charge	<u>78,246</u>	<u>34,373</u>

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	428,285	123,754
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	81,374	23,513
Tax effect of expenses that are not deductible in determining taxable profit	4	-
Tax effect of utilisation of tax losses not previously recognised	(16,777)	(39,724)
Permanent capital allowances in excess of depreciation	(15,885)	16,211
Deferred tax movements	29,530	34,373
Taxation charge	78,246	34,373

### 9 Intangible fixed assets

Group	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 February 2020	650,000	39,115	689,115
Additions - internally developed	-	8,880	8,880
At 31 January 2021	650,000	47,995	697,995
<b>Amortisation and impairment</b>			
At 1 February 2020	650,000	37,095	687,095
Amortisation charged for the year	-	3,037	3,037
At 31 January 2021	650,000	40,132	690,132
<b>Carrying amount</b>			
At 31 January 2021	-	7,863	7,863
At 31 January 2020	-	2,020	2,020

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 9 Intangible fixed assets

(Continued)

Company	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 February 2020	650,000	39,115	689,115
Additions - internally developed	-	8,880	8,880
At 31 January 2021	650,000	47,995	697,995
<b>Amortisation and impairment</b>			
At 1 February 2020	650,000	37,095	687,095
Amortisation charged for the year	-	3,037	3,037
At 31 January 2021	650,000	40,132	690,132
<b>Carrying amount</b>			
At 31 January 2021	-	7,863	7,863
At 31 January 2020	-	2,020	2,020

### 10 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 February 2020	4,143,390	1,506,869	374,062	1,309,395	62,363	7,396,079
Additions	18,109	100,802	896	43,906	57,490	221,203
At 31 January 2021	4,161,499	1,607,671	374,958	1,353,301	119,853	7,617,282
<b>Depreciation and impairment</b>						
At 1 February 2020	502,045	9,201	337,511	1,161,138	48,995	2,058,890
Depreciation charged in the year	82,868	13,415	8,367	35,520	4,182	144,352
At 31 January 2021	584,913	22,616	345,878	1,196,658	53,177	2,203,242
<b>Carrying amount</b>						
At 31 January 2021	3,576,586	1,585,055	29,080	156,643	66,676	5,414,040
At 31 January 2020	3,641,345	1,497,668	36,551	148,257	13,368	5,337,189

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 10 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 February 2020	4,143,390	1,506,869	374,062	1,309,395	62,363	7,396,079
Additions	18,109	100,802	896	43,906	57,490	221,203
At 31 January 2021	4,161,499	1,607,671	374,958	1,353,301	119,853	7,617,282
<b>Depreciation and impairment</b>						
At 1 February 2020	502,045	9,201	337,511	1,161,138	48,995	2,058,890
Depreciation charged in the year	82,868	13,415	8,367	35,520	4,182	144,352
At 31 January 2021	584,913	22,616	345,878	1,196,658	53,177	2,203,242
<b>Carrying amount</b>						
At 31 January 2021	3,576,586	1,585,055	29,080	156,643	66,676	5,414,040
At 31 January 2020	3,641,345	1,497,668	36,551	148,257	13,368	5,337,189

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	64,705	70,940	64,705	70,940

Land and buildings with a carrying amount of £3,641,345 were revalued on the basis of an open market valuation for existing use in October 2015 by Messrs, Quinton Smith who are independent valuers not connected with the company.

The historic cost of land and buildings is £2,655,627.

### 11 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	12	-	-	204	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.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 11 Fixed asset investments (Continued)

Movements in fixed asset investments		Shares in subsidiaries
Company		£
<b>Cost or valuation</b>		
At 1 February 2020 and 31 January 2021		204
<b>Carrying amount</b>		
At 31 January 2021		204
At 31 January 2020		204

### 12 Subsidiaries

Details of the company's subsidiaries at 31 January 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Swallow Aquatics (Rayleigh) Limited	1 Nelson Street, Southend on Sea, Essex, SS1 1EG	Ordinary	100.00
Swallow Aquatics (Colchester) Limited	As above	Ordinary	100.00
Swallow Aquatics (Kent) Limited	As above	Ordinary	100.00
Swallow Aquatics (Harling) Limited	As above	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Swallow Aquatics (Rayleigh) Limited	1,350,840	206,807
Swallow Aquatics (Colchester) Limited	(420,142)	(50,910)
Swallow Aquatics (Kent) Limited	530,770	24,042
Swallow Aquatics (Harling) Limited	(281,365)	183,223

### 13 Stocks

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Stocks	1,392,176	1,495,810	1,392,176	1,495,810

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 14 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	27,525	59,751	27,525	55,783
Amounts owed by group undertakings	-	-	4,761,726	4,723,898
Other debtors	226,778	244,278	171,507	235,771
	<u>254,303</u>	<u>304,029</u>	<u>4,960,758</u>	<u>5,015,452</u>
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 19)	7,824	24,601	3,429	3,429
	<u>7,824</u>	<u>24,601</u>	<u>3,429</u>	<u>3,429</u>
<b>Total debtors</b>	<u>262,127</u>	<u>328,630</u>	<u>4,964,187</u>	<u>5,018,881</u>

### 15 Creditors: amounts falling due within one year

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Bank loans and overdrafts	17	671,486	1,308,234	664,146	1,303,050
Obligations under finance leases	18	52,578	46,567	52,578	46,567
Trade creditors		739,601	639,701	705,776	577,585
Amounts owed to group undertakings		-	-	6,230,803	5,792,943
Corporation tax payable		48,716	-	-	-
Other taxation and social security		264,723	97,654	93,927	3,777
Other creditors		78,998	102,471	28,974	31,361
Accruals and deferred income		83,997	144,209	46,882	61,501
		<u>1,940,099</u>	<u>2,338,836</u>	<u>7,823,086</u>	<u>7,816,784</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Bank loans and overdrafts	17	1,174,216	1,207,359	1,130,883	1,207,359
Obligations under finance leases	18	71,958	77,046	71,958	77,046
		<u>1,246,174</u>	<u>1,284,405</u>	<u>1,202,841</u>	<u>1,284,405</u>



## MELDONGREEN LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

#### 17 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	1,342,113	1,757,331	1,292,113	1,757,331
Bank overdrafts	503,589	758,262	502,916	753,078
	<u>1,845,702</u>	<u>2,515,593</u>	<u>1,795,029</u>	<u>2,510,409</u>
Payable within one year	671,486	1,308,234	664,146	1,303,050
Payable after one year	<u>1,174,216</u>	<u>1,207,359</u>	<u>1,130,883</u>	<u>1,207,359</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.

#### 18 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	52,578	46,567	52,578	46,567
In two to five years	<u>71,958</u>	<u>77,046</u>	<u>71,958</u>	<u>77,046</u>
	<u>124,536</u>	<u>123,613</u>	<u>124,536</u>	<u>123,613</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Group</b>				
Accelerated capital allowances	159,054	146,301	-	-
Tax losses	-	-	7,824	24,601
	<u>159,054</u>	<u>146,301</u>	<u>7,824</u>	<u>24,601</u>
	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Company</b>				
Accelerated capital allowances	159,054	146,301	-	-
Tax losses	-	-	3,429	3,429
	<u>159,054</u>	<u>146,301</u>	<u>3,429</u>	<u>3,429</u>
			<b>Group 2021 £</b>	<b>Company 2021 £</b>
<b>Movements in the year:</b>				
Liability at 1 February 2020			121,700	142,872
Charge to profit or loss			29,530	12,753
			<u>151,230</u>	<u>155,625</u>
Liability at 31 January 2021				

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	25,704	21,267
	<u>25,704</u>	<u>21,267</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

### 22 Contingent liabilities

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

### 23 Directors' transactions

During the period, directors were advanced an aggregate total of £8,946 (2020 - £14,861). These balances remained outstanding at the year end.

### 24 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	350,039	89,381
<b>Adjustments for:</b>		
Taxation charged	78,246	34,373
Finance costs	77,096	74,170
Gain on disposal of tangible fixed assets	-	(37)
Amortisation and impairment of intangible assets	3,037	1,775
Depreciation and impairment of tangible fixed assets	144,352	128,264
<b>Movements in working capital:</b>		
Decrease in stocks	103,634	267,617
Decrease/(increase) in debtors	118,385	(51,621)
Increase/(decrease) in creditors	108,710	(253,664)
<b>Cash generated from operations</b>	<b>983,499</b>	<b>290,258</b>

# MELDONGREEN LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 25 Cash generated from operations - company

	2021 £	2020 £
Loss for the year after tax	(13,125)	(21,854)
<b>Adjustments for:</b>		
Taxation charged	12,753	1,060
Finance costs	77,096	74,170
Gain on disposal of tangible fixed assets	-	(37)
Amortisation and impairment of intangible assets	3,037	1,775
Depreciation and impairment of tangible fixed assets	144,352	128,264
<b>Movements in working capital:</b>		
Decrease in stocks	103,634	267,617
Decrease/(increase) in debtors	48,779	(386,258)
Increase in creditors	639,195	225,742
<b>Cash generated from operations</b>	<b>1,015,721</b>	<b>290,479</b>

### 26 Analysis of changes in net debt - group

	1 February 2020 £	Cash flows £	31 January 2021 £
Cash at bank and in hand	29,243	13,267	42,510
Bank overdrafts	(758,262)	254,673	(503,589)
	(729,019)	267,940	(461,079)
Borrowings excluding overdrafts	(1,757,331)	415,218	(1,342,113)
Obligations under finance leases	(123,613)	(923)	(124,536)
	(2,609,963)	682,235	(1,927,728)

### 27 Analysis of changes in net debt - company

	1 February 2020 £	Cash flows £	31 January 2021 £
Bank overdrafts	(753,078)	250,162	(502,916)
Borrowings excluding overdrafts	(1,757,331)	465,218	(1,292,113)
Obligations under finance leases	(123,613)	(923)	(124,536)
	(2,634,022)	714,457	(1,919,565)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.