REGISTERED NUMBER: SC242849 (Scotland)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Year Ended 30 September 2015

for

M8 Group Limited

Contents of the Consolidated Financial Statements for the Year Ended 30 September 2015

Company Information
for the Year Ended 30 September 2015

DIRECTORS:	K Hague L G W Jensen J B McFarlane R S Torrens Miss M L Peterson
SECRETARY:	K Hague
REGISTERED OFFICE:	5 Kingsthorne Park Houstoun Industrial Estate Livingston West Lothian EH54 5DB
REGISTERED NUMBER:	SC242849 (Scotland)
AUDITORS:	Campbell Dallas LLP Chartered Accountants Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF

The directors present their strategic report of the company and the group for the year ended 30 September 2015.

REVIEW OF BUSINESS
The results of the company show a loss before tax of £740,088 (2014: profit of £236,446) for the year on turnover of £19.6m (2014: £18.2m).

Despite the 8% growth in turnover, this is clearly a disappointing set of figures,

Operational profitability as measured by EBITDA (Earnings before interest, tax, depreciation and amortisation) decreased from a profit of £611k to a loss of £359k.

The shareholders continue to be extremely supportive of the business and extended an additional £586k of loan funds during the year to help us weather this difficult period.

Three main factors contributed to the drop in profitability;
- Increased range complexity driving increased overheads
- Unfavourable exchange rate variations
- Competitive pressure on prices and online marketing costs

Since the year end we have put in place a series of measures to ensure we return to profitability

Overheads:
A major range rationalisation programmed has been successfully implemented, reducing our stock-holding and space overhead requirements. We are also now reaping the benefits of investment in systems and processes that improve our overhead efficiency. As a result, run-rate overhead costs have been reduced by more than 15% (over £400k pa.)

Exchange Rates:
When the Euro weakens against sterling (as it did by more than 10% during the course of this financial year) our competitors who source branded products in Euros become cost-advantaged. We now have Euro sourcing arrangements in place which defend us against this effect in the future

Our Far East purchases are primarily US dollar denominated. In this financial year the pound weakened by c.10% versus the dollar during our key stock intake months. We have now put in place improved hedging arrangements to attempt to insulate us from the worst effects of exchange rate volatility

Competitive Pressures:
Competitive pressure is always to be expected, but this financial year was exceptional
- A major online pet retail competitor's aggressive expansion strategy led to them getting into financial difficulty in August; they have since re-emerged as a more rational business under new ownership
- A major online garden retail competitor attempted an aggressive expansion into the garden furniture retail category; they have since largely withdrawn from this sector

Responding to both of these competitive moves required us to sacrifice margin to retain revenue. The current (2015/16) financial year has seen a significant easing of these competitive pressures.

The net effect of these profit improvement initiatives and the changing competitive environment is that since the 2014/15 financial year end the group has returned to EBITDA profitability while continuing to grow our revenue line.

Group Strategic Report
for the Year Ended 30 September 2015

2014/15 was undoubtedly a difficult year for the business. We are grateful to the ongoing support of our shareholders and the commitment and hard-work of our employees in helping us get the business back on track.

We continue to investment in people, technology, systems and processes to refine the customer proposition and ensure operational efficiencies are maintained

We monitor a range of KPI's to ensure the business remains profitable while growing. These include close monitoring of marketing spend, margins, stock levels, customer service metrics, operational cost ratios and customer retention rates.

PRINCIPAL RISKS AND UNCERTAINTIES
As for many businesses of our size, the business environment in which the company operates continues to be challenging. The key risks to the business centre around:

- Liquidity and cash flow
- IT system integrity
- Competition
- Product sourcing and availability

The directors continue to focus on the mitigation of these risks in order to develop and grow the business.

FINANCIAL INSTRUMENTS
Our financial risk management objectives are to ensure sufficient working capital and cash flow for the Group and to ensure there is sufficient support for the Group's turnaround and growth strategy. This is achieved through careful management of our cash resources, and by utilising our import facility. This is further supported by short term shareholder loan finance where necessary. No material treasury transactions or derivatives are entered into.

RESEARCH & DEVELOPMENT
The Group continues to invest in research and development and is implementing improvements to both its back-end and customer-facing IT systems.

ON BEHALF OF THE BOARD:

....
K Hague - Director

Date: ....15.1.16..................

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2015.

DIVIDENDS
No dividends will be distributed for the year ended 30 September 2015.

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

K Hague
L G W Jensen
J B McFarlane
R S Torrens
Miss M L Peterson

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS
The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
K Hague - Director

Date: ....15/03/16.................

We have audited the financial statements of M8 Group Limited for the year ended 30 September 2015 on pages eight to thirty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2015 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Campbell Dallas LLP

Fraser Campbell (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 26/7/16

M8 Group Limited (Registered number: SC242849)

Consolidated Profit and Loss Account
for the Year Ended 30 September 2015

	Notes	2015 £	2015 £	2014 £	2014 £
TURNOVER	2		19,639,341		18,225,639
Cost of sales			12,184,289		10,925,343
GROSS PROFIT			7,455,052		7,300,296
Distribution costs		3,137,815		2,786,674	
Administrative expenses		4,998,257		4,227,174	
			8,136,072		7,013,848
			(681,020)		286,448
Other operating income			60,000		100,000
OPERATING (LOSS)/PROFIT	4		(621,020)		386,448
Interest payable and similar charges	5		119,068		150,002
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(740,088)		236,446
Tax on (loss)/profit on ordinary activities	6		25,187		(98,804)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			(765,275)		335,250

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

The notes form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2015

	2015	2014
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(765,275)	335,250
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(765,275)	335,250
Prior year adjustment		201,039
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		536,289

The notes form part of these financial statements

Consolidated Balance Sheet
30 September 2015

	Notes	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Intangible assets	8		367,525		455,498
Tangible assets	9		272,990		340,980
Investments	10		-		-
			640,515		796,478
CURRENT ASSETS					
Stocks	11	2,600,121		1,845,956	
Debtors	12	474,881		597,839	
Cash at bank		206,000		610,494	
		3,281,002		3,054,289	
CREDITORS					
Amounts falling due within one year	13	3,490,644		3,240,519	
NET CURRENT LIABILITIES			(209,642)		(186,230)
TOTAL ASSETS LESS CURRENT LIABILITIES			430,873		610,248
CREDITORS					
Amounts falling due after more than one year	14		1,286,584		700,684
NET LIABILITIES			(855,711)		(90,436)

The notes form part of these financial statements

continued...

Consolidated Balance Sheet - continued
30 September 2015

	Notes	2015 £	2015 £	2014 £	2014 £
CAPITAL AND RESERVES					
Called up share capital	19		15,132		15,132
Share premium	20		1,494,751		1,494,751
Profit and loss account	20		(2,365,594)		(1,600,319)
SHAREHOLDERS' FUNDS	23		(855,711)		(90,436)

The financial statements were approved by the Board of Directors on 15.1.07.16 and were signed on its behalf by:

R S Torrens - Director

K Hague - Director

The notes form part of these financial statements

Company Balance Sheet
30 September 2015

		2015		2014	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		37,855
Tangible assets	9		209,646		293,438
Investments	10		10,000		10,000
			219,646		341,293
CURRENT ASSETS					
Debtors	12	588,184		97,156	
Cash at bank		2		76,354	
		588,186		173,510	
CREDITORS					
Amounts falling due within one year	13	3,471,127		2,551,829	
NET CURRENT LIABILITIES			(2,882,941)		(2,378,319)
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,663,295)		(2,037,026)
CREDITORS					
Amounts falling due after more than one year	14		(1,286,584)		(700,684)
PROVISIONS FOR LIABILITIES	18		(14,061)		-
NET LIABILITIES			(3,963,940)		(2,737,710)

The notes form part of these financial statements

continued...

Company Balance Sheet - continued
30 September 2015

		2015		2014	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		15,132		15,132
Share premium	20		1,441,027		1,441,027
Profit and loss account	20		(5,420,099)		(4,193,869)
SHAREHOLDERS' FUNDS	23		(3,963,940)		(2,737,710)

The financial statements were approved by the Board of Directors on ....15.07.16................ and were signed on its behalf by:

....
R S Torrens - Director

....
K Hague - Director

Consolidated Cash Flow Statement for the Year Ended 30 September 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Net cash (outflow)/inflow from operating activities	1		(855,874)		476,765
Returns on investments and servicing of finance	2		(41,775)		(58,608)
Taxation			23,431		-
Capital expenditure	2		(105,753)		(30,135)
			(979,971)		388,022
Financing	2		508,607		(15,696)
(Decrease)/increase in cash in the period			(471,364)		372,326

	Notes	2015 £	2015 £	2014 £	2014 £
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period		(471,364)		372,326	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(265,963)		16,808	
Change in net debt resulting from cash flows			(737,327)		389,134
Movement in net debt in the period			(737,327)		389,134
Net debt at 1 October			(1,088,371)		(1,386,111)
Net debt at 30 September			(1,825,698)		(996,977)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2015

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating (loss)/profit	(621,020)	386,448
Depreciation charges	261,716	224,765
Capitalised development costs	-	(140,956)
Increase in stocks	(754,165)	(44,739)
Decrease/(increase) in debtors	74,340	(62,915)
Increase in creditors	183,255	114,162
Net cash (outflow)/inflow from operating activities	(855,874)	476,765

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

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest paid	(41,775)	(57,524)
Interest element of hire purchase or finance lease rentals payments	-	(1,084)
Net cash outflow for returns on investments and servicing of finance	(41,775)	(58,608)
Capital expenditure		
Purchase of tangible fixed assets	(105,753)	(30,135)
Net cash outflow for capital expenditure	(105,753)	(30,135)
Financing		
Additional loans during year	550,000	-
Loan repayments in year	(250,000)	-
Capital repayments in year	-	(15,696)
Amount introduced by shareholders	300,000	600,000
Amount repaid to shareholders	(91,393)	(600,000)
Net cash inflow/(outflow) from financing	508,607	(15,696)

Notes to the Consolidated Cash Flow Statement for the Year Ended 30 September 2015

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.14	Cash flow	Other non-cash changes	At 30.9.15
	£	£	£	£
Net cash:				
Cash at bank	610,494	(404,494)		206,000
Bank overdraft	-	(66,870)		(66,870)
	610,494	(471,364)		139,130
Debt:				
Debts falling due within one year	(998,181)	242,644	-	(755,537)
Debts falling due after one year	(700,684)	(508,607)	(77,293)	(1,286,584)
	(1,698,865)	(265,963)	(77,293)	(2,042,121)
Total	(1,088,371)	(737,327)	(77,293)	(1,902,991)

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Going concern
The Board of Directors have prepared and reviewed actual and projected trading for the 12 months period subsequent to the date of signing the financial statements. They are satisfied that adequate funds are available for the business to meet their forecast cash requirements over this period.

Taking the above into consideration in conjunction with the continued support of the group's bankers and the group's shareholders, the Board of Directors consider it appropriate to prepare these financial statements on a going concern basis.

Basis of consolidation
The group financial statements consolidate the financial statements of M8 Group Limited and its subsidiaries under the principles of acquisition accounting.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover
Turnover relates to the principal activities of the Group. It is recognised when the principal risks and rewards have been transferred and is represented by the net invoiced sales of goods, excluding value added tax.

Goodwill
Goodwill was paid in connection with the acquisition of the businesses below and is amortised over its useful estimated life:

	Date of Acquisition	Estimated Useful Life
M8 Group Limited	2007	5 years
Greenfingers Trading Ltd	2002	5 years
Petplanet.co.uk Ltd	2003	20 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 shorter.

Equipment & fittings - 25% straight line on cost and 10% straight line on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

continued...

1. **ACCOUNTING POLICIES - continued**

Deferred tax

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

Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Research and development

The directors consider that development costs should be capitalised and not written off to expenses as incurred where the recognition criteria for capitalisation are met. The directors believe that this provides more relevant information in respect of the Group's activities to its stakeholders.

The Group expenses all research costs as incurred. Expenditure on software or website development is capitalised if the project is technically and commercially feasible, the Group has the sufficient resources and the intention to complete the project and where this leads to the creation of an asset that will deliver benefits to the Group at least equivalent to the amount capitalised.

The development expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised development expenditure is charged to the on profit and loss account on a straight-line basis over 3 years.

Expenditure to maintain or operate websites or software once these have been developed are expensed as incurred.

Hire purchase and leasing commitments

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

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

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

Government grants

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred or when milestones are met to which they relate.

continued...

2. TURNOVER

The turnover and loss (2014 - profit) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2015	2014
	£	£
Pet supplies	12,988,298	11,485,651
Garden supplies	6,651,043	6,734,773
Other	-	5,215
	19,639,341	18,225,639

3. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	2,163,633	2,019,773

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

	2015	2014
Warehouse	38	36
Administration	52	46
	90	82

4. OPERATING (LOSS)/PROFIT

The operating loss (2014 - operating profit) is stated after charging/(crediting):

	2015	2014
	£	£
Other operating leases	513,915	442,767
Depreciation - owned assets	173,743	134,045
Depreciation - assets on hire purchase contracts or finance leases	-	2,750
Goodwill amortisation	50,118	50,117
Development costs amortisation	37,855	37,853
Auditors' remuneration	15,750	15,750
Grants receivable	(60,000)	(100,000)

	2015	2014
Directors' remuneration	274,000	228,333

continued...

4. OPERATING (LOSS)/PROFIT - continued

Auditors' remuneration is split as follows:

Fees in respect of the audit of the company and consolidated accounts - £3,750
Fees in respect of the audit of the accounts of subsidiaries - £12,000

Information regarding the highest paid director is as follows:

	2015	2014
	£	£
Emoluments etc	150,000	150,000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Loan interest	80,741	117,638
Bank interest	38,327	31,280
Hire purchase	-	1,084
	119,068	150,002

6. TAXATION

Analysis of the tax charge/(credit)
The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	-	(23,431)
Deferred tax	25,187	(75,373)
Tax on (loss)/profit on ordinary activities	25,187	(98,804)

continued...

6. TAXATION - continued

Factors affecting the tax charge/(credit)
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
(Loss)/profit on ordinary activities before tax	(740,088)	236,446
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.500% (2014 - 22%)	(151,718)	52,018
Effects of:		
Expenses not deductible for tax purposes	15,228	6,348
Depreciation in excess of capital allowances	25,503	2,482
Utilisation of tax losses	-	(61,901)
Unutilised tax losses	105,452	1,053
R&D tax credit	-	(23,431)
Other timing issues	5,535	-
Current tax charge/(credit)	-	(23,431)

The Group has recognised a deferred tax asset at the period end in respect of the tax losses which it anticipates will be recoverable from future taxable profits based on conditions existing at the balance sheet date.

The Group has an unrecognised deferred tax asset of £379,092 (2014: £180,219) in respect of carried forward tax losses. No asset has been recognised as there is uncertainty as to when sufficient profits will be available to utilise these losses.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(1,226,230) (2014 - £(811,234)).

continued...

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Development costs	Totals
	£	£	£
COST			
At 1 October 2014			
and 30 September 2015	1,069,095	113,561	1,182,656
AMORTISATION			
At 1 October 2014	651,452	75,706	727,158
Amortisation for year	50,118	37,855	87,973
At 30 September 2015	701,570	113,561	815,131
NET BOOK VALUE			
At 30 September 2015	367,525	-	367,525
At 30 September 2014	417,643	37,855	455,498

Company

	Goodwill	Development costs	Totals
	£	£	£
COST			
At 1 October 2014			
and 30 September 2015	11,750	113,561	125,311
AMORTISATION			
At 1 October 2014	11,750	75,706	87,456
Amortisation for year	-	37,855	37,855
At 30 September 2015	11,750	113,561	125,311
NET BOOK VALUE			
At 30 September 2015	-	-	-
At 30 September 2014	-	37,855	37,855

continued...

9. TANGIBLE FIXED ASSETS

Group

	Equipment & fittings £	Fixtures and fittings £	Website development £	Totals £
COST				
At 1 October 2014	552,614	-	266,287	818,901
Additions	34,708	17,245	53,800	105,753
At 30 September 2015	587,322	17,245	320,087	924,654
DEPRECIATION				
At 1 October 2014	436,144	-	41,777	477,921
Charge for year	78,125	6,864	88,754	173,743
At 30 September 2015	514,269	6,864	130,531	651,664
NET BOOK VALUE				
At 30 September 2015	73,053	10,381	189,556	272,990
At 30 September 2014	116,470	-	224,510	340,980

The net book value of tangible fixed assets includes an amount of £nil (2014 - £nil) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £nil (2014 - £2,750).

Company

	Equipment & fittings £	Website development £	Totals £
COST			
At 1 October 2014	338,431	266,287	604,718
Additions	13,028	53,800	66,828
At 30 September 2015	351,459	320,087	671,546
DEPRECIATION			
At 1 October 2014	269,503	41,777	311,280
Charge for year	61,866	88,754	150,620
At 30 September 2015	331,369	130,531	461,900
NET BOOK VALUE			
At 30 September 2015	20,090	189,556	209,646
At 30 September 2014	68,928	224,510	293,438

continued...

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2014	
and 30 September 2015	10,000
NET BOOK VALUE	
At 30 September 2015	10,000
At 30 September 2014	10,000

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

Subsidiaries

Petplanet.co.uk Ltd
Country of incorporation: Scotland
Nature of business: Retail

Class of shares:	% holding
Ordinary	100.00

Greenfingers Trading Ltd
Country of incorporation: Scotland
Nature of business: Retail

Class of shares:	% holding
Ordinary	100.00

Ecological Trading Ltd
Country of incorporation: Scotland
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

continued...

11. STOCKS

	Group	
	2015	2014
	£	£
Finished goods	2,600,121	1,845,956

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	186,185	150,959	-	-
Amounts owed by group undertakings	-	-	537,001	-
Other debtors	67,192	143,516	-	-
Tax	-	23,431	-	23,431
VAT	-	-	-	20,375
Deferred tax asset	50,186	75,373	-	-
Prepayments and accrued income	171,318	204,560	51,183	53,350
	474,881	597,839	588,184	97,156

Deferred tax asset

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Deferred tax	50,186	75,373	-	-

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 15)	822,407	998,181	67,060	-
Trade creditors	1,690,164	1,624,948	84,542	46,922
Amounts owed to group undertakings	-	-	2,871,026	2,393,282
Social security and other taxes	43,622	59,271	43,622	59,271
VAT	324,337	241,474	338,395	-
Other creditors	32,471	28,885	27,192	26,984
Accruals and deferred income	577,643	287,760	39,290	25,370
	3,490,644	3,240,519	3,471,127	2,551,829

continued...

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other loans (see note 15)	1,286,584	700,684	1,286,584	700,684

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	66,870	-	67,060	-
Bank loans and overdraft	755,537	998,181	-	-
	822,407	998,181	67,060	-
Amounts falling due between two and five years:				
Other loans - 2-5 years	634,643	-	634,643	-
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Other loans more 5yrs non-inst	651,941	700,684	651,941	700,684

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings	
	2015	2014
	£	£
Expiring:		
Within one year	105,417	-
Between one and five years	254,755	115,000
In more than five years	-	170,000
	360,172	285,000

continued...

16. OPERATING LEASE COMMITMENTS - continued

Company

	Land and buildings	
	2015	2014
	£	£
Expiring:		
Within one year	105,417	-
Between one and five years	-	115,000
	105,417	115,000

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	755,537	998,181	-	-
	-	-	67,060	-
	755,537	998,181	67,060	-

Bank loans and overdraft is represented by the company's trade finance facilities. These are secured by an unlimited multilateral guarantee between M8 Group Limited, Greenfingers Trading Limited, Petplanet.co.uk Limited and Ecological Trading Limited.

This is further secured by floating charge, general letter of pledge and personal guarantees provided by James McFarlane and Kevin Hague to a limit of £150,000 respectively.

18. DEFERRED TAX

	Company	
	2015	2014
	£	£
Deferred tax	14,061	-

Group

	£
Balance at 1 October 2014	(75,373)
Credit to Profit and Loss Account during year	25,187
Balance at 30 September 2015	(50,186)

continued...

18. DEFERRED TAX - continued

Company

	£
Credit to Profit and Loss Account during year	14,061
Balance at 30 September 2015	14,061

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
151,324	Ordinary	10p	15,132	15,132

20. RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 October 2014	(1,600,319)	1,494,751	(105,568)
Deficit for the year	(765,275)		(765,275)
At 30 September 2015	(2,365,594)	1,494,751	(870,843)

Company

	Profit and loss account £	Share premium £	Totals £
At 1 October 2014	(4,193,869)	1,441,027	(2,752,842)
Deficit for the year	(1,226,230)		(1,226,230)
At 30 September 2015	(5,420,099)	1,441,027	(3,979,072)

21. CONTINGENT LIABILITIES

Under the terms of capital grants received from West Lothian Council, the company could be required to repay up to 100% of grants received totalling £160,000 should any of the grant conditions be breached.

continued...

22. RELATED PARTY DISCLOSURES

Endura Ltd
A company in which Kevin Hague and James McFarlane are directors.

During the year, the company purchased goods amounting to £3,536 (2014: £6,010) from this company.

Anthony Preston, Christian Dosch, Charles Wilson, Tony Best
Shareholder loans

During the year, interest amounting to £42,651 (2014: £91,394) was accrued on long term shareholder loans.

Long term loans are repayable in 2023 and are subject to an interest rate of 7%.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	651,941	700,684

J B McFarlane
Company director and shareholder

A loan to the value of £300,000 was received during the year.

During the year, interest amounting to £17,030 was accrued on the loan balance.

The loan is considered to be repayable over a period greater than one year and is subject to an interest rate of 7%.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	317,030	-

continued...

22. RELATED PARTY DISCLOSURES - continued

Jane Duncan
Spouse of a company director

A loan to the value of £550,000 was received during the year, of which £250,000 was repaid by the company by the year end date.

During the year, interest amounting to £17,613 was accrued on the loan balance.

The loan is considered to be repayable over a period greater than one year and is subject to an interest rate of 7%.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	317,613	-

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015	2014
	£	£
(Loss)/profit for the financial year	(765,275)	335,250
Net (reduction)/addition to shareholders' funds	(765,275)	335,250
Opening shareholders' funds	(90,436)	(425,686)
Closing shareholders' funds	(855,711)	(90,436)

Company

	2015	2014
	£	£
Loss for the financial year	(1,226,230)	(811,234)
Net reduction of shareholders' funds	(1,226,230)	(811,234)
Opening shareholders' funds	(2,737,710)	(1,926,476)
Closing shareholders' funds	(3,963,940)	(2,737,710)