

Registered number: 06495190

AgriCoat NatureSeal Limited

Directors' report and financial statements

For the year ended 31 May 2014



AgriCoat NatureSeal Limited

Company Information

Directors	W J Barrie S Matthews G Weiss
Company secretary	S Matthews
Registered number	06495190
Registered office	37 St Margaret's Street Canterbury Kent CT1 2TU
Independent auditor	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU

AgriCoat NatureSeal Limited

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AgriCoat NatureSeal Limited

Directors' report For the year ended 31 May 2014

The directors present their report and the financial statements for the year ended 31 May 2014.

Principal activities

The main business of AgriCoat NatureSeal Limited is supplying speciality formulations designed to maintain the quality and shelf life of fresh cut fruit and vegetables under the NatureSeal brand name.

Directors

The directors who served during the year were:

W J Barrie
M Boyte (resigned 19 August 2013)
S Matthews
G Weiss (appointed 19 July 2013)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



S Matthews
Director

Date: 9 September 2014

**Directors' responsibilities statement
For the year ended 31 May 2014**

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AgriCoat NatureSeal Limited

Independent auditor's report to the shareholders of AgriCoat NatureSeal Limited

We have audited the financial statements of AgriCoat NatureSeal Limited for the year ended 31 May 2014, set out on pages 5 to 12. 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 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.

Respective responsibilities of directors and auditor

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. 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 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 directors' report 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 company's affairs as at 31 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AgriCoat NatureSeal Limited

Independent auditor's report to the shareholders of AgriCoat NatureSeal Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Reeves & Co LLP

Rodney Sutton BA ACA FCCA CA(SA) (Senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Statutory Auditor

Chartered Accountants

Canterbury

12 September 2014

AgriCoat NatureSeal Limited

**Profit and loss account
For the year ended 31 May 2014**

	Note	2014 £	2013 £
Turnover	1,2	4,302,545	4,151,839
Cost of sales		<u>(1,313,573)</u>	<u>(1,271,883)</u>
Gross profit		2,988,972	2,879,956
Distribution costs		(75,880)	(83,064)
Administrative expenses		<u>(1,074,081)</u>	<u>(954,907)</u>
Operating profit	3	1,839,011	1,841,985
Interest receivable and similar income	5	<u>3,188</u>	<u>3,130</u>
Profit on ordinary activities before taxation		1,842,199	1,845,115
Tax on profit on ordinary activities	6	<u>(422,923)</u>	<u>(443,178)</u>
Profit for the financial year	12	<u>1,419,276</u>	<u>1,401,937</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

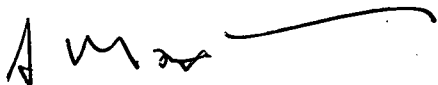
The notes on pages 7 to 12 form part of these financial statements.

AgriCoat NatureSeal Limited
Registered number: 06495190

Balance sheet
As at 31 May 2014

	Note	£	2014 £	£	2013 £
Current assets					
Stocks	7	743,435		407,591	
Debtors	8	623,729		634,088	
Cash at bank		866,619		1,323,448	
		<u>2,233,783</u>		<u>2,365,127</u>	
Creditors: amounts falling due within one year	9	<u>(904,365)</u>		<u>(1,054,985)</u>	
Net current assets			<u>1,329,418</u>		<u>1,310,142</u>
Net assets			<u>1,329,418</u>		<u>1,310,142</u>
Capital and reserves					
Called up share capital	11		10		10
Profit and loss account	12		<u>1,329,408</u>		<u>1,310,132</u>
Shareholders' funds	13		<u>1,329,418</u>		<u>1,310,142</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S Matthews
Director

Date: 9 September 2014

The notes on pages 7 to 12 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 May 2014**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small entity, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue due from the normal activities of the business to the extent that the company obtains a right to consideration in exchange for its performance of those activities, exclusive of Value Added Tax.

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.7 Research and development

Research and development expenditure is written off in the year in which it is incurred.

AgriCoat NatureSeal Limited

Notes to the financial statements For the year ended 31 May 2014

2. Turnover

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	2,037,763	1,969,069
Rest of Europe	1,559,182	1,523,653
Rest of World	705,600	659,117
	<u>4,302,545</u>	<u>4,151,839</u>

3. Operating profit

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

	2014 £	2013 £
Auditor's remuneration	5,450	5,300
Difference on foreign exchange	28,293	(51,654)
	<u>33,743</u>	<u>(46,354)</u>

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

5. Interest receivable

	2014 £	2013 £
Interest receivable from group companies	<u>3,188</u>	<u>3,130</u>

Notes to the financial statements
For the year ended 31 May 2014

6. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	395,657	420,465
Adjustments in respect of prior periods	31,005	27,154
Total current tax	426,662	447,619
Deferred tax		
Origination and reversal of timing differences	(5,775)	19,822
Effect of increased tax rate on opening liability	2,036	820
Adjustments in respect of prior periods	-	(25,083)
Total deferred tax (see note 10)	(3,739)	(4,441)
Tax on profit on ordinary activities	422,923	443,178

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	1,842,199	1,845,115
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%)	417,627	439,691
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	748	596
Capital allowances for year in excess of depreciation	(140)	-
Adjustments to tax charge in respect of prior periods	31,005	27,154
Short term timing difference leading to an increase (decrease) in taxation	(22,578)	(19,822)
Current tax charge for the year (see note above)	426,662	447,619

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Stocks

	2014 £	2013 £
Finished goods and goods for resale	743,435	407,591

Notes to the financial statements
For the year ended 31 May 2014

8. Debtors

	2014 £	2013 £
Trade debtors	585,210	615,987
Other debtors	3,418	364
Prepayments and accrued income	15,762	2,137
Deferred tax asset (see note 10)	19,339	15,600
	<u>623,729</u>	<u>634,088</u>

9. Creditors:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	115,835	58,482
Amounts owed to group undertakings	460,509	504,171
Corporation tax	60,657	235,465
Other taxation and social security	-	6,321
Amounts owing to related undertakings	73,817	73,817
Accruals and deferred income	193,547	176,729
	<u>904,365</u>	<u>1,054,985</u>

10. Deferred tax asset

	2014 £	2013 £
At beginning of year	15,600	11,159
Accumulated during year	3,739	4,441
	<u>19,339</u>	<u>15,600</u>
At end of year		

The deferred tax asset is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	561	-
Other timing differences	18,778	15,600
	<u>19,339</u>	<u>15,600</u>

Notes to the financial statements
For the year ended 31 May 2014

11. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £0.01 each	<u>10</u>	<u>10</u>

12. Reserves

	Profit and loss account £
At 1 June 2013	1,310,132
Profit for the financial year	1,419,276
Dividends: Equity capital	(1,400,000)
At 31 May 2014	<u>1,329,408</u>

13. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	1,310,142	1,198,181
Profit for the financial year	1,419,276	1,401,937
Dividends (Note 14)	(1,400,000)	(1,289,976)
Closing shareholders' funds	<u>1,329,418</u>	<u>1,310,142</u>

14. Dividends

	2014 £	2013 £
Dividends paid on equity capital	<u>1,400,000</u>	<u>1,289,976</u>

The company paid dividends of £100,000 after the year end.

**Notes to the financial statements
For the year ended 31 May 2014**

15. Related party transactions

The company has received a loan from its immediate parent company, Mantrose UK Limited which at the year end was for £431,309, (2013 - £484,003). During the year the company purchased £1,160,928 (2013: £1,044,285) of goods and services from Mantrose UK Limited. In addition to this the company paid dividends of £1,162,000 to Mantrose UK Limited.

The company owed £29,200 (2013 - £20,168) to fellow group company, Natureseal US Inc and also made royalty payments to them in the year of £232,824 (2013 - £206,986).

In addition the company owed £73,817 (2013: £73,817) to Freshxtend Technologies (Europe) Limited, a company which exerts significant influence over AgriCoat NatureSeal Limited. Dividends of £238,000 were paid to Freshxtend Technologies (Europe) Limited in the year.

Included within other debtors is £Nil (2013 - £353) which is non interest bearing and due from S Matthews, a director of the company.

16. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of Mantrose UK Limited by virtue of its 83% interest in the share capital of the company.

The directors regard RPM International Inc, a company incorporated in the United States of America, to be the company's ultimate parent undertaking. The consolidated financial statements of RPM International Inc are publicly available on its website www.rpminc.com.