

Registered number: 06495190

## **AgriCoat NatureSeal Limited**

**Directors' report and financial statements**

**For the year ended 31 May 2015**

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## **AgriCoat NatureSeal Limited**

### **Company Information**

<b>Directors</b>	W J Barrie S Matthews G Weiss
<b>Company secretary</b>	S Matthews
<b>Registered number</b>	06495190
<b>Registered office</b>	37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Independent auditor</b>	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 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 2015**

The directors present their report and the financial statements for the year ended 31 May 2015.

#### **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  
S Matthews  
G Weiss

#### **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, Kreston Reeves 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: 7 September 2015

**Directors' responsibilities statement  
For the year ended 31 May 2015**

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 2015, 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 2015 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.



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

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Canterbury

8 September 2015

**AgriCoat NatureSeal Limited**

**Profit and loss account  
For the year ended 31 May 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	1,2	<b>3,789,969</b>	4,302,545
Cost of sales		<u>(1,111,730)</u>	<u>(1,313,573)</u>
<b>Gross profit</b>		<b>2,678,239</b>	2,988,972
Distribution costs		(72,695)	(75,880)
Administrative expenses		(972,169)	(1,074,081)
Other operating income	3	<u>220,562</u>	<u>-</u>
<b>Operating profit</b>	4	<b>1,853,937</b>	1,839,011
Interest receivable and similar income	6	<u>2,338</u>	<u>3,188</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,856,275</b>	1,842,199
Tax on profit on ordinary activities	7	<u>(387,315)</u>	<u>(422,923)</u>
<b>Profit for the financial year</b>	13	<u><b>1,468,960</b></u>	<u>1,419,276</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

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

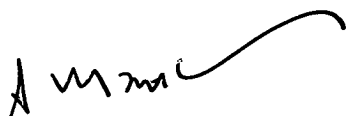


**AgriCoat NatureSeal Limited**  
**Registered number: 06495190**

**Balance sheet**  
**As at 31 May 2015**

	Note	£	2015 £	£	2014 £
<b>Current assets</b>					
Stocks	8	581,793		743,435	
Debtors	9	504,630		623,729	
Cash at bank		1,497,078		866,619	
		<u>2,583,501</u>		<u>2,233,783</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,085,123)</u>		<u>(904,365)</u>	
<b>Net current assets</b>			<u>1,498,378</u>		<u>1,329,418</u>
<b>Total assets less current liabilities</b>			<u>1,498,378</u>		<u>1,329,418</u>
<b>Capital and reserves</b>					
Called up share capital	12		10		10
Profit and loss account	13		1,498,368		1,329,408
<b>Shareholders' funds</b>	14		<u>1,498,378</u>		<u>1,329,418</u>

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



**S Matthews**  
Director

Date: 7 September 2015

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

**Notes to the financial statements**  
**For the year ended 31 May 2015**

**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.

**Notes to the financial statements**  
**For the year ended 31 May 2015**

**2. Turnover**

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	2,025,155	2,037,763
Rest of Europe	1,169,927	1,559,182
Rest of World	594,887	705,600
	<u>3,789,969</u>	<u>4,302,545</u>

**3. Other operating income**

	2015 £	2014 £
Legal fees recovered	220,562	-
	<u>220,562</u>	<u>-</u>

**4. Operating profit**

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

	2015 £	2014 £
Auditor's remuneration	5,600	5,450
Difference on foreign exchange	76,935	28,293
	<u>82,535</u>	<u>33,743</u>

**5. Staff costs**

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

**6. Interest receivable**

	2015 £	2014 £
Interest receivable from group companies	2,338	3,188
	<u>2,338</u>	<u>3,188</u>

**Notes to the financial statements**  
**For the year ended 31 May 2015**

**7. Taxation**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	383,689	395,657
Adjustments in respect of prior periods	71	31,005
<b>Total current tax</b>	<u>383,760</u>	<u>426,662</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,555	(5,775)
Effect of increased tax rate on opening liability	-	2,036
<b>Total deferred tax</b> (see note 11)	<u>3,555</u>	<u>(3,739)</u>
<b>Tax on profit on ordinary activities</b>	<u><u>387,315</u></u>	<u><u>422,923</u></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,856,275</u>	<u>1,842,199</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%)	386,662	417,627
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	833	748
Capital allowances for year in excess of depreciation	(168)	(140)
Adjustments to tax charge in respect of prior periods	71	31,005
Short term timing difference leading to a decrease in taxation	(3,638)	(22,578)
<b>Current tax charge for the year</b> (see note above)	<u><u>383,760</u></u>	<u><u>426,662</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**8. Stocks**

	2015 £	2014 £
Finished goods and goods for resale	<u><u>581,793</u></u>	<u><u>743,435</u></u>

**AgriCoat NatureSeal Limited**

**Notes to the financial statements  
For the year ended 31 May 2015**

**9. Debtors**

	2015 £	2014 £
Trade debtors	436,704	585,210
Amounts owed by group undertakings	44,035	-
Other debtors	-	3,418
Prepayments and accrued income	8,107	15,762
Deferred tax asset (see note 11)	15,784	19,339
	<u>504,630</u>	<u>623,729</u>

**10. Creditors:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	104,831	115,835
Amounts owed to group undertakings	469,386	460,509
Corporation tax	183,689	60,657
Other taxation and social security	61,211	-
Amounts owing to related undertakings	73,817	73,817
Accruals and deferred income	192,189	193,547
	<u>1,085,123</u>	<u>904,365</u>

**11. Deferred tax asset**

	2015 £	2014 £
At beginning of year	19,339	15,600
Accumulated during year	(3,555)	3,739
	<u>15,784</u>	<u>19,339</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	735	561
Other timing differences	15,049	18,778
	<u>15,784</u>	<u>19,339</u>

**AgriCoat NatureSeal Limited**

**Notes to the financial statements  
For the year ended 31 May 2015**

**12. Share capital**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £0.01 each	<u>10</u>	<u>10</u>

**13. Reserves**

	<b>Profit and loss account £</b>
At 1 June 2014	1,329,408
Profit for the financial year	1,468,960
Dividends: Equity capital	<u>(1,300,000)</u>
At 31 May 2015	<u>1,498,368</u>

**14. Reconciliation of movement in shareholders' funds**

	2015 £	2014 £
Opening shareholders' funds	1,329,418	1,310,142
Profit for the financial year	1,468,960	1,419,276
Dividends (Note 15)	<u>(1,300,000)</u>	<u>(1,400,000)</u>
Closing shareholders' funds	<u>1,498,378</u>	<u>1,329,418</u>

**15. Dividends**

	2015 £	2014 £
Dividends paid on equity capital	<u>1,300,000</u>	<u>1,400,000</u>

The company paid dividends of £700,000 after the year end.

**Notes to the financial statements  
For the year ended 31 May 2015**

**16. Related party transactions**

The company has received a loan from its immediate parent company, Mantrose UK Limited, which at the year end was for £439,510, (2014 - £431,309). During the year the company purchased £831,986 (2014 - £1,160,928) of goods and services from Mantrose UK Limited. In addition to this the company paid dividends of £1,079,000 (2014 - £1,162,000) to Mantrose UK Limited.

The company incurred a management charge of £28,794 (2014 - £NIL) from Mantrose-Haeuser Co Inc, a fellow group undertaking. At the year end £29,875 (2014 - £NIL) was due to Mantrose-Haeuser Co Inc.

The company made royalty payments of £181,283 (2014 - £232,824) to NatureSeal Inc, a fellow group undertaking. The company also received £220,562 (2014 - £NIL) in relation to legal costs recovered within the group. At the year end £44,035 (2014 - £29,200) was due to NatureSeal Inc.

In addition the company owed £73,817 (2014 - £73,817) to FreshXtend International Pty Limited, a company which exerts significant influence over AgriCoat NatureSeal Limited. Dividends of £221,000 (2014 - £238,000) were paid to FreshXtend International Pty Limited in the year.

**17. 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](http://www.rpminc.com).