

COMPANIES HOUSE COPY

**Fine Agrochemicals Limited**

Annual Report and Financial Statements

Year Ended

31 August 2017

Company Number 01699303



# Fine Agrochemicals Limited

Annual report and financial statements  
for the year ended 31 August 2017

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## Directors

N Fillon  
J M A Maurer  
M Pritchard  
J Ward

## Secretary and registered office

M Pritchard, Hill End House, Whittington, Worcester, WR5 2RQ

## Company number

01699303

## Auditors

BDO LLP, Two Snowhill, Birmingham, United Kingdom, B4 6GA

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# Fine Agrochemicals Limited

## Strategic report for the year ended 31 August 2017

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The directors present their strategic report together with the audited financial statements for year ended 31 August 2017.

### Principal activities, review of business and future developments

The company's principal activity is the development, manufacture and marketing of agricultural & horticultural chemical products. It operates globally both in terms of manufacturing and sourcing of key raw material and in the sales and marketing of its products. The company's key business areas are Europe, the United States and Japan. Manufacturing and marketing for the group's products in the US, Canada and Latin America are the responsibility of Fine Agrochemicals' sister affiliate, Fine Americas, Inc.

There have been no changes in the company's activities in the period under review.

The business continued the pattern of previous years. The company saw good growth in turnover, thanks to the expansion of existing products into new geographies and favourable weather conditions for use of the company's products. The company continues to establish its key brands in the marketplace as well as supplying products to other companies for marketing under own label brands.

The company also supplies product to Fine Americas Inc, upon which it recognises an agreed margin, and in this regard the directors were very satisfied with the level of business in the United States during the year under review, thanks in part due to the continued success of products launched in 2016.

The directors are satisfied with the results and financial position of the company for the year ended 31 August 2017.

### Key performance indicators

The key performance indicators of the company are as follows:

- Turnover
- Gross profit margin
- Cashflow

### Principal risks and uncertainties

With the EU and, through Fine Americas Inc, the US being such critical markets for the company's business, the regulatory frameworks continue to dominate prospects for the foreseeable future. The company has demonstrated its prowess at successfully navigating these inherently complex processes and a number of new product registrations were granted during the period in question.

European sales from both of our key sectors of fruit and flower products performed above expectations. Sales in South Africa also continued to grow, helped by a new product launched in 2016. The company also maintains a representative office in Tokyo to assist with the development of the business within the Asian continent.

In addition to enhancing market share from its existing product range, the company's future growth depends upon the addition of new products to its portfolio and, to this end, development work on new potential products continues to make good progress. Whilst any development carries with it risk and uncertainty, the company employs mechanisms to ensure that any risks are minimised wherever possible.

# Fine Agrochemicals Limited

Strategic report  
for the year ended 31 August 2017 (*continued*)

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## Financial risk management

The company ensures that adequate credit insurance covers its customer base, backed up by ad-hoc credit-referencing where necessary.

The company monitors cash flow as part of its day-to-day control procedures. The directors review cash flow projections on a quarterly basis and ensure that appropriate facilities are available to be drawn as necessary. In 2017, the company had sufficient cash reserves to enable it to manage its working capital requirements without recourse to a bank overdraft.

As an international business, the company makes significant purchases and sales in US dollars and Euros. The company manages foreign exchange risk by maintaining bank accounts in each of the principal currencies which, as well as providing a natural hedge, allows us to manage the timing of transfers back to sterling, thus mitigating adverse movements in foreign exchange rates.

## Research and development

The company actively invests in a programme of new product development and innovation in order to keep it at the forefront of its industry sector. The cost of developing new products is written off during the same financial period that expenditure is made.

## On behalf of the board



M Pritchard  
Director

Date: 17/11/2017

# Fine Agrochemicals Limited

## Report of the directors for the year ended 31 August 2017

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The directors present their report together with the audited financial statements for the year ended 31 August 2017.

### Results and dividends

The income statement is set out on page 8 and shows the profit for the year.

Interim dividends of £42.51 per share were paid to ordinary shareholders during the period (2016 - £35.97 per share). The directors do not recommend the payment of a final dividend (2016 - £Nil).

A review of business and future developments, principal risks and uncertainties and financial risk management policies are set out within the strategic report.

### Directors

The directors of the company during the year and up to the date of approval were:

N Fillon  
J M A Maurer  
M Pritchard  
J Ward

### Post balance sheet events

There have been no significant events affecting the company since the year end.

### Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 of 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 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 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.

# Fine Agrochemicals Limited

## Report of the directors for the year ended 31 August 2017 (*continued*)

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### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board



M Pritchard  
Director

Date: 17/11/2017

# Fine Agrochemicals Limited

## Independent auditor's report

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF FINE AGROCHEMICALS LIMITED

#### Opinion

We have audited the financial statements of Fine Agrochemicals Limited (the "Company") for the year ended 31 August 2017 which comprise the income statement, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 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.

#### 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# Fine Agrochemicals Limited

## Independent auditor's report (*continued*)

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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 the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of directors

As explained more fully in the directors' report, 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 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

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.

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.

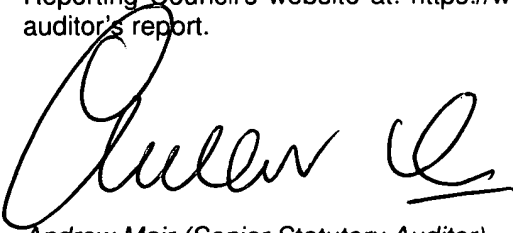


# Fine Agrochemicals Limited

## Independent auditor's report (*continued*)

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



*Andrew Mair (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom*

Date: *20 NOV 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Fine Agrochemicals Limited

## Income statement for the year ended 31 August 2017

	Note	2017 £	As represented 2016 £
<b>Turnover</b>	3	<b>18,664,250</b>	15,014,919
Cost of sales		<u>7,940,534</u>	<u>6,673,152</u>
<b>Gross profit</b>		<b>10,723,716</b>	8,341,767
Distribution costs		187,349	95,301
Administrative expenses		5,832,170	5,112,476
Exceptional administrative expenses - foreign exchange gains	4	<u>(675,511)</u>	<u>(1,385,771)</u>
<b>Operating profit</b>	4	<b>5,379,708</b>	4,519,761
Other interest receivable and similar income	7	<u>9,188</u>	<u>4,357</u>
<b>Profit on ordinary activities before taxation</b>		<b>5,388,896</b>	4,524,118
Taxation on profit on ordinary activities	8	<u>1,054,766</u>	<u>930,178</u>
<b>Profit for the year and total comprehensive income for the year</b>		<u><b>4,334,130</b></u>	<u><b>3,593,940</b></u>

During the current year, the directors have undertaken a detailed review of the classification of costs in the income statement. This identified that customer rebates had previously been included in distribution costs and these amounts have been reclassified to include them as a deduction from turnover in these financial statements. This reclassification has no impact on the operating profit or the profit on ordinary activities before taxation as previously reported in 2016.

# Fine Agrochemicals Limited

Balance sheet  
at 31 August 2017

<b>Company number 01699303</b>	<b>Note</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	10		433,340		542,408
Tangible assets	11		39,708		55,800
			<hr/>		<hr/>
			<b>473,048</b>		<b>598,208</b>
<b>Current assets</b>					
Stocks	12	1,869,486		2,511,682	
Debtors	13	10,362,602		7,185,524	
Cash at bank and in hand		5,150,569		4,395,008	
			<hr/>		<hr/>
		<b>17,382,657</b>		<b>14,092,214</b>	
<b>Creditors: amounts falling due within one year</b>	14	<b>6,149,231</b>		<b>5,380,778</b>	
			<hr/>		<hr/>
<b>Net current assets</b>			<b>11,233,426</b>		<b>8,711,436</b>
<b>Total assets less current liabilities</b>			<hr/> <b>11,706,474</b>		<hr/> <b>9,309,644</b>
<b>Provisions for liabilities</b>	15		-		237,000
			<hr/>		<hr/>
<b>Net assets</b>			<b>11,706,474</b>		<b>9,072,644</b>
			<hr/> <hr/>		<hr/> <hr/>
<b>Capital and reserves</b>					
Called up share capital	18		40,000		40,000
Profit and loss account			11,666,474		9,032,644
			<hr/>		<hr/>
<b>Shareholders' funds</b>			<b>11,706,474</b>		<b>9,072,644</b>
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 17-11-17



M Pritchard  
Director

The notes on pages 11 to 22 form part of these financial statements.

# Fine Agrochemicals Limited

## Statement of changes in equity for the year ended 31 August 2017

### Year ended 31 August 2017

	Share capital £	Profit and loss account £	Total equity £
1 September 2016	40,000	9,032,644	9,072,644
Profit for the year and total comprehensive income for the year	-	4,334,130	4,334,130
Dividends (note 9)	-	(1,700,300)	(1,700,300)
	<hr/>	<hr/>	<hr/>
<b>31 August 2017</b>	<b>40,000</b>	<b>11,666,474</b>	<b>11,706,474</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### Year ended 31 August 2016

	Share capital £	Profit and loss account £	Total equity £
1 September 2015	40,000	6,877,552	6,917,552
Profit for the year and total comprehensive income for the year	-	3,593,940	3,593,940
Dividends (note 9)	-	(1,438,848)	(1,438,848)
	<hr/>	<hr/>	<hr/>
<b>31 August 2016</b>	<b>40,000</b>	<b>9,032,644</b>	<b>9,072,644</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### Reserves:

Called up share capital represents the nominal value of shares issued.

The profit and loss account represents cumulative profits or losses, net of dividends paid.

The notes on pages 11 to 22 form part of these financial statements.

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017

### 1 Accounting policies

Fine Agrochemicals Limited is a company incorporated in England and Wales under the Companies Act (company number 01699303). The address of the registered office is Hill End House, Whittington, Worcester, WRS 2RQ. The principal activity of the company is that of the development, manufacture and marketing of agricultural and horticultural chemical products.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are presented in Sterling as that is the primary economic environment in which the company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

#### *Revenue*

Revenue from the sales of goods and services, net of returns and customer rebates, is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment.

#### *Intangible fixed assets*

Intangible fixed assets relate to payments made to secure rights to access data through joint data development task forces and are carried at cost less accumulated amortisation. Amortisation is calculated by applying the straight-line method to its estimated useful life of between 6 and 15 years.

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged on a straight line basis so as to allocate the cost of assets less their residual value over their estimated useful lives, which are considered to be as follows:

Motor vehicles	-	4 years
Fixtures and fittings	-	5 years
Computer equipment	-	2 - 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### *Foreign currency translation*

Foreign currency transactions are translated into the company's entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Research and development*

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred. All expenditure on product re-registrations before the renewal of the licence is written off in the year that it is incurred.

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

#### *Exceptional items*

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

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### 1 Accounting policies (continued)

#### *Impairment of fixed assets*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that the company is a qualifying entity and is a member of the group headed by De Sangosse S.A. and the company is included in consolidated financial statements, which includes a cash flow statement.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

#### *Debtors*

Short term debtors are measured at transaction price, less any impairment.

#### *Financial instruments*

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other amounts receivable and payable and loans to and from related parties.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement. The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

#### *Creditors*

Short term creditors are measured at the transaction price.

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

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### 1 Accounting policies (continued)

#### *Provisions*

A provision is recognised when the company has a legal or constructive obligation but the amount and timing are uncertain. These often arise as a result of product development and are measured at management's best estimate of the amount required to settle the obligation at the reporting date.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

- Provisions for contractual obligations - The company has contractual obligations in relation to product developments. Whilst the majority of these are straightforward, and are included within creditors as they are incurred, there are other circumstances where the quantum and timing can be subject to negotiation. Where there is significant judgement, provisions are made which represent the directors' best estimate of the obligations.
- Accruals for stock returns and customer rebates - The company assesses the known and expected level of stock returns and customer rebates based on historical trading patterns and other empirical evidence and accrues accordingly.
- Intangible assets - The company reviews intangible assets for any indicators of impairment. If there is objective evidence of impairment, the directors will apply judgement in assessing the level of any provision.

### 3 Turnover

Turnover is wholly attributable to the principal activity of the company.

The analysis of turnover by geographical market required by paragraph 68 of Schedule 1 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.



# Fine Agrochemicals Limited

**Notes forming part of the financial statements  
for the year ended 31 August 2017 (continued)**

## 4 Operating profit

	2017	2016
	£	£
This is arrived at after charging/(crediting):		
Research and development - current year's expenditure	2,054,008	1,604,491
Depreciation of tangible fixed assets	35,396	34,325
Amortisation of other intangible assets	109,068	142,967
Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	16,380
Exchange differences	(675,511)	(1,385,771)
	2,054,008	1,604,491

## 5 Employees

	2017	2016
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	1,049,245	947,269
Social security costs	329,660	237,041
Pension costs	96,617	116,816
	1,475,522	1,301,126

The average number of employees (including directors) during the year was 21 (2016 - 21).

## 6 Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	341,177	274,450
Company contributions to money purchase pension schemes	37,452	67,165
	378,629	341,615

There was 1 director in the company's defined contribution pension scheme during the year (2016 - 2).

Emoluments of the highest paid director were £264,977 (2016 - £203,707). Pension contributions of £Nil (2016 - £32,870) were made to a money purchase scheme on their behalf.

# Fine Agrochemicals Limited

Notes forming part of the financial statements  
for the year ended 31 August 2017 (continued)

7 Other interest receivable and similar income	2017 £	2016 £
Bank interest receivable	9,188	4,357
<b>8 Taxation on profit on ordinary activities</b>		
	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on profits of the year	1,014,906	897,476
Adjustment in respect of previous periods	4,906	12,508
Total current tax	1,019,812	909,984
<i>Deferred tax</i>		
Origination and reversal of timing differences	37,002	8,773
Changes in tax rates	2,204	4,911
Adjustment in respect of previous periods	(4,252)	6,510
Movement in deferred tax provision	34,954	20,194
Taxation on profit on ordinary activities	1,054,766	930,178
The tax assessed for the year is different to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:		
	2017 £	2016 £
Profit on ordinary activities before tax	5,388,896	4,524,118
Profit on ordinary activities at average rate of corporation tax in the UK of 19.58% (2016 - 20%)	1,055,190	904,824
Effects of:		
Expenses not deductible for tax purposes	2,335	2,400
Adjustment to tax charge in respect of previous periods – current tax	4,906	12,508
Adjustment to tax charge in respect of previous periods – deferred tax	(4,252)	6,510
Changes in tax rates	(3,413)	3,936
Total tax charge for the year	1,054,766	930,178

### Factors that may affect future tax charges

The 2016 budget confirmed that the UK corporation tax rate will reduce to 17% from 1 April 2020.

These changes will impact the future tax liabilities of the company.

# Fine Agrochemicals Limited

Notes forming part of the financial statements  
for the year ended 31 August 2017 (*continued*)

## 9 Dividends

	2017 £	2016 £
Ordinary shares		
Interim paid of £42.51 (2016 - £35.97) per share	1,700,300	1,438,848

## 10 Intangible assets

	Other intangible assets £
<i>Cost</i>	
At 1 September 2016 and at 31 August 2017	1,021,875
<i>Amortisation</i>	
At 1 September 2016	479,467
Charge for the year	109,068
At 31 August 2017	588,535
<i>Net book value</i>	
At 31 August 2017	433,340
At 31 August 2016	542,408

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

### 11 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 September 2016	40,060	69,340	198,515	307,915
Additions	-	1,033	18,271	19,304
Disposals	-	-	(1,296)	(1,296)
<b>At 31 August 2017</b>	<b>40,060</b>	<b>70,373</b>	<b>215,490</b>	<b>325,923</b>
<i>Depreciation</i>				
At 1 September 2016	16,257	64,826	171,032	252,115
Charge for the year	10,015	2,303	23,078	35,396
Disposals	-	-	(1,296)	(1,296)
<b>At 31 August 2017</b>	<b>26,272</b>	<b>67,129</b>	<b>192,814</b>	<b>286,215</b>
<i>Net book value</i>				
<b>At 31 August 2017</b>	<b>13,788</b>	<b>3,244</b>	<b>22,676</b>	<b>39,708</b>
At 31 August 2016	23,803	4,514	27,483	55,800

### 12 Stocks

	2017 £	2016 £
Raw materials and consumables	1,060,835	1,008,669
Work in progress	373,702	618,828
Finished goods and goods for resale	434,949	884,185
	<b>1,869,486</b>	<b>2,511,682</b>

There are no material difference between the replacement cost of stocks and the amounts stated above.

The cost of inventories expensed in the year and included within cost of sales was £7,929,373 (2016 - £6,652,643). Impairment losses relating to damaged or obsolete inventories and included within the income statement amounted to £11,161 (2016 - £20,509).

# Fine Agrochemicals Limited

Notes forming part of the financial statements  
for the year ended 31 August 2017 *(continued)*

## 13 Debtors

	2017 £	2016 £
Amounts receivable within one year:		
Trade debtors	1,946,120	1,792,055
Amounts owed by group undertakings	8,263,619	5,175,381
Other debtors	40,376	64,206
Prepayments and accrued income	112,016	118,457
	10,362,131	7,150,099
Amounts receivable after more than one year:		
Deferred tax asset	471	35,425
	10,362,602	7,185,524

The impairment loss recognised within the income statement for the year in respect of bad and doubtful trade and other debtors was £Nil (2016 - £Nil).

		Deferred taxation £
At 1 September 2016		35,425
Charged to income statement		(34,954)
		471
At 31 August 2017		471
<i>Deferred taxation</i>		
	2017 £	2016 £
Capital allowances	(878)	(7,235)
Sundry timing differences	1,349	42,660
	471	35,425

# Fine Agrochemicals Limited

## Notes forming part of the financial statements for the year ended 31 August 2017 (continued)

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

	2017 £	2016 £
Trade creditors	528,229	933,945
Amounts owed to group undertakings	2,752,408	2,330,459
Corporation tax	526,700	354,022
Other taxation and social security	22,367	26,233
Accruals and deferred income	2,319,527	1,736,119
	<u>6,149,231</u>	<u>5,380,778</u>

### 15 Provisions for liabilities

	Other provisions £
At 1 September 2016	237,000
Released in year	(237,000)
	<u>-</u>
At 31 August 2017	<u>-</u>

Other provisions related to management's best estimate of the expected cost to settle known ongoing negotiations with regards to contractual obligations in relation to amounts due to third parties for shared product development. The nature of these negotiations can be both complex and judgemental and it is therefore possible that the final agreed settlements may be significantly higher or lower than the amounts provided. The directors assessed the other provisions during the year and, based on the evidence available, have concluded that they are no longer required.

### 16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to profit and loss in the year in which the contributions become payable. The pension charge for the year amounted to £96,617 (2016 - £116,816). Contributions amounting to £7,391 (2016 - £Nil) were payable to the fund at the period end.

# Fine Agrochemicals Limited

Notes forming part of the financial statements  
for the year ended 31 August 2017 (*continued*)

## 17 Financial instruments

The company's financial instruments may be analysed as follows:

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>15,400,684</u>	<u>11,426,650</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>5,600,164</u>	<u>5,000,523</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

There is no material difference between book value and fair value.

## 18 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i> 40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

## 19 Contingent liabilities

The company has contractual obligations in relation to product developments. These are recognised within creditors, as they arise, for known obligations. However, there are circumstances where there the amounts can be subject to judgement and negotiation. Provisions are made which represent the directors' best estimate of the obligations although there remains the potential for further claims to arise.

The company is party to a cross guarantee in respect of its holding company, Fine Holdings Limited. At 31 August 2017 the company's potential liability under this arrangement amounted to £Nil (2016 - £Nil).

# Fine Agrochemicals Limited

Notes forming part of the financial statements  
for the year ended 31 August 2017 (*continued*)

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## 20 Related party disclosures

### *Controlling parties*

The company's immediate parent company is Fine Holdings Limited, a company registered in England and Wales.

The company's ultimate parent company is De Sangosse S.A., a company registered in France. Copies of the financial statements are publicly available.

### *Related party transactions and balances*

The company has taken advantage of the exemption available not to disclose details of transactions entered into between its ultimate parent company, De Sangosse S.A., and with fellow subsidiaries where 100% of the voting rights are controlled by De Sangosse S.A. group.

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £410,354 (2016 - £370,425).