

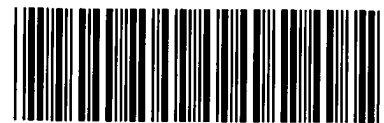
Registered number: 03657539

Legend Brands Europe Holdings Limited

Directors' report and financial statements

For the year ended 31 May 2017

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Legend Brands Europe Holdings Limited

Company Information

Directors	Edward Winslow Moore Ronald Albert Rice William Edward Bruders Stephen James Knoop
Registered number	03657539
Registered office	Hays Galleria 1 Hays Lane London SE1 2RD
Independent auditor	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Lloyds Bank plc 28 Secklow Gate West Milton Keynes Buckinghamshire MK9 3EH

Legend Brands Europe Holdings Limited

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Legend Brands Europe Holdings Limited

Directors' report For the year ended 31 May 2017

The directors present their report and the financial statements for the year ended 31 May 2017.

Principal activity

The principal activity of the company for the year under review was the provision of industrial and commercial dehumidifiers and airmovers, and the distribution of commercial cleaning and damage restoration products.

Directors

The directors who served during the year were:

Edward Winslow Moore
Ronald Albert Rice
William Edward Bruders
Stephen James Knoop

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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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.

Small companies note

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.



William Edward Bruders
Director

Date: 7 September 2017

Legend Brands Europe Holdings Limited

Directors' responsibilities statement

For the year ended 31 May 2017

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to 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 and other information included in directors' reports may differ from legislation in other jurisdictions.

Independent auditor's report to the shareholders of Legend Brands Europe Holdings Limited

We have audited the financial statements of Legend Brands Europe Holdings Limited for the year ended 31 May 2017, set out on pages 5 to 14. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 2, 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 Standard 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 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.

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Legend Brands Europe Holdings Limited

Independent auditor's report to the shareholders of Legend Brands Europe Holdings Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic 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 2017

Legend Brands Europe Holdings Limited

Statement of income and retained earnings For the year ended 31 May 2017

	2017 £	2016 £
Turnover	4,640,134	3,303,067
Cost of sales	(3,271,864)	(2,372,933)
Gross profit	1,368,270	930,134
Administrative expenses	(917,863)	(808,226)
Other operating income	670	3,862
Operating profit	451,077	125,770
Interest receivable and similar income	4,046	20,422
Interest payable and expenses	-	(5)
Profit before tax	455,123	146,187
Tax on profit	(92,863)	(28,815)
Profit after tax	362,260	117,372
Retained earnings at the beginning of the year	2,885,759	2,768,387
Profit for the year	362,260	117,372
Retained earnings at the end of the year	3,248,019	2,885,759

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 14 form part of these financial statements.

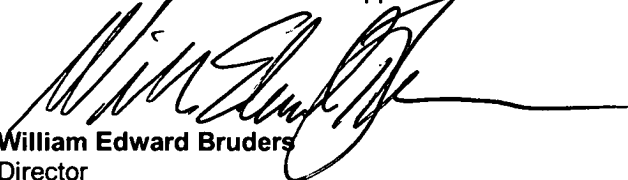
Legend Brands Europe Holdings Limited
Registered number: 03657539

Balance sheet
As at 31 May 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible Fixed Assets	4		13,833		15,702
Current assets					
Stocks		1,024,054		610,697	
Debtors: amounts falling due within one year	5	4,029,416		3,469,398	
Cash at bank and in hand		56,604		154,106	
		<u>5,110,074</u>		<u>4,234,201</u>	
Creditors: amounts falling due within one year	6	(1,810,160)		(1,333,854)	
Net current assets			<u>3,299,914</u>		<u>2,900,347</u>
Total assets less current liabilities			<u>3,313,747</u>		<u>2,916,049</u>
Provisions for liabilities					
Other provisions	7	(65,726)		(30,288)	
			<u>(65,726)</u>		<u>(30,288)</u>
Net assets			<u><u>3,248,021</u></u>		<u><u>2,885,761</u></u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			<u>3,248,019</u>		<u>2,885,759</u>
			<u><u>3,248,021</u></u>		<u><u>2,885,761</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


William Edward Bruders
 Director

Date: 7 September 2017

The notes on pages 7 to 14 form part of these financial statements.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2017

1. General information

Legend Brands Europe Holdings Limited is a private company limited by shares and is incorporated in England with the registration number 03657539. The address of the registered office is Hays Galleria, 1 Hays Lane, London, England, SE1 2RD. The principal place of business is 22 Plover Close, Interchange Park, Newport Pagnell, MK16 9PS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

The financial statement are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue comprises income arising from the supply of dehumidifiers, cleaning products and damage restoration goods.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31-May 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	20%
Motor vehicles	-	20%
Fixtures & fittings	-	20%
Leasehold property improvements	-	20% over the term of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the statement of income and retained earnings.

2.4 Stocks

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

At each balance sheet date, stocks are assessed for impairment. If stock 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.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the financial statements
For the year ended 31 May 2017**

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised 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 statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements
For the year ended 31 May 2017**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of income and retained earnings within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Notes to the financial statements
For the year ended 31 May 2017**

2. Accounting policies (continued)

2.13 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and 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 balance sheet date in the countries where the company operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2016 - 8).

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2017

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Leasehold property improvements £	Total £
Cost					
At 1 June 2016	34,837	19,750	34,742	181,900	271,229
At 31 May 2017	34,837	19,750	34,742	181,900	271,229
Depreciation					
At 1 June 2016	34,837	19,750	19,040	181,900	255,527
Charge for the year on owned assets	-	-	1,869	-	1,869
At 31 May 2017	34,837	19,750	20,909	181,900	257,396
Net book value					
At 31 May 2017	-	-	13,833	-	13,833
At 31 May 2016	-	-	15,702	-	15,702

5. Debtors

	2017 £	2016 £
Trade debtors	1,073,759	423,800
Amounts owed by group undertakings	2,808,234	2,783,019
Other debtors	33,321	164,930
Prepayments and accrued income	105,143	88,204
Deferred taxation	8,959	9,445
	4,029,416	3,469,398

Included within amounts owed by group undertakings are funds of £2,805,368 (2016 - £2,759,755) due to the company under the terms of group treasury arrangements administered by the RPOW UK Limited, a fellow group undertaking.

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2017

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	126,803	122,078
Amounts owed to group undertakings	1,598,099	1,121,389
Corporation tax	18,506	-
Other taxation and social security	29,488	10,680
Other creditors	752	6,931
Accruals and deferred income	36,512	72,776
	<u>1,810,160</u>	<u>1,333,854</u>

Credit facilities provided by Lloyds Bank plc are secured by way of an unlimited debenture incorporating a fixed and floating charge held over all assets of the company.

7. Provisions

	Dilapidation provision £	Warranty provision £	Total £
At 1 June 2016	30,288	-	30,288
Charged to profit or loss	15,144	20,294	35,438
At 31 May 2017	<u>45,432</u>	<u>20,294</u>	<u>65,726</u>

Dilapidation provision

The terms of a leasehold property occupied by the company require the premises to be reinstated to the same condition in which they were before any alterations were made. These costs have been considered and will continue to be recognised over the remaining term of the lease agreement.

Warranty provision

Provision is made for anticipated future costs under the terms of warranties offered to customers. These provisions require management's best estimate of the costs that will be incurred based on their experience and contractual requirements.

8. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Legend Brands Europe Holdings Limited

Notes to the financial statements For the year ended 31 May 2017

9. Commitments under operating leases

At 31 May 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	57,484	73,069
Later than 1 year and not later than 5 years	10,764	67,950
Later than 5 years	-	298
	<u>68,248</u>	<u>141,317</u>

10. Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group

All other related party transactions during the current and prior periods, including key management personnel compensation, were made under normal market conditions.

11. Controlling party

The company is a wholly owned subsidiary undertaking of Dri-Eaz Products Inc., a company incorporated in the United States of America.

The directors regard RPM International Inc., a company incorporated in the United States of America, to be the company's ultimate parent undertaking. RPM International Inc. is the smallest and largest group for which consolidated financial statements are prepared, which can be found on its website www.rpminc.com. RPM International Inc. is registered at 2628 Pearl Road, Medina, Ohio, USA.