

Company Registration No. 4529757 (England and Wales)

BANNER CHEMICALS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015

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BANNER CHEMICALS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr M Kessler Mr C Boyle
Secretary	Mr C Boyle
Company number	4529757
Registered office	Quadrant House 4 Thomas More Square London E1W 1YW
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Business address	Hampton Court Tudor Road Manor Park Runcorn Cheshire WA7 1TU
Bankers	Investec Bank Plc 2 Gresham Street London EC2V 7QP HSBC Bank plc 4th Floor City Point 29 King Street Leeds LS1 2HL

BANNER CHEMICALS HOLDINGS LIMITED

COMPANY INFORMATION

Solicitors

DWF LLP
2nd Floor
Bridgewater Place
Water Lane
Leeds
LS11 5DY

BANNER CHEMICALS HOLDINGS LIMITED

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BANNER CHEMICALS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and financial statements for the year ended 30 April 2015.

Directors

The following directors have held office since 1 May 2014:

Mr M Kessler
Mr C Boyle

Auditors

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 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.

BANNER CHEMICALS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

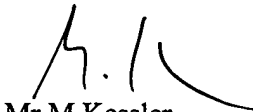
FOR THE YEAR ENDED 30 APRIL 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Mr M Kessler

Director

16 September 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BANNER CHEMICALS HOLDINGS LIMITED

We have audited the financial statements of Banner Chemicals Holdings Limited for the year ended 30 April 2015 set out on pages 5 to 11. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 30 April 2015 and of its results 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF BANNER CHEMICALS HOLDINGS 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 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 from preparing a strategic report.

UHY Hacker Young

Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

16 September 2015

Chartered Accountants
Statutory Auditor

BANNER CHEMICALS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2015

	Notes	2015 £	2014 £
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities	2	-	-
Loss for the year	8	<u>-</u>	<u>-</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

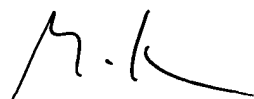
There are no recognised gains and losses other than those passing through the profit and loss account.

BANNER CHEMICALS HOLDINGS LIMITED**BALANCE SHEET****AS AT 30 APRIL 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	3		3,904,955		3,904,955
Current assets					
Debtors	4	33,705		33,705	
Cash at bank and in hand		752		752	
		<u>34,457</u>		<u>34,457</u>	
Creditors: amounts falling due within one year	5	<u>(16,827)</u>		<u>(16,827)</u>	
Net current assets			17,630		17,630
Total assets less current liabilities			<u>3,922,585</u>		<u>3,922,585</u>
Creditors: amounts falling due after more than one year	6		<u>(3,591,774)</u>		<u>(3,591,774)</u>
			<u>330,811</u>		<u>330,811</u>
Capital and reserves					
Called up share capital	7		258,000		258,000
Share premium account	8		72,000		72,000
Profit and loss account	8		811		811
Shareholders' funds	9		<u>330,811</u>		<u>330,811</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 16 September 2015



Mr M Kessler
Director

Company Registration No. 4529757

BANNER CHEMICALS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of 2M Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2	Taxation	2015 £	2014 £
	Total current tax	-	-
		==	==
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	-	-
		==	==
		---	---
	Current tax charge for the year	-	-
		==	==

BANNER CHEMICALS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 APRIL 2015**3 Fixed asset investments**

	Shares in group undertakings and participating interests £
Cost	
At 1 May 2014 & at 30 April 2015	3,904,955
Net book value	
At 30 April 2015	3,904,955
At 30 April 2014	3,904,955

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Banner Chemicals Limited	England and Wales	Ordinary	100.00
Samuel Banner & Co Limited	England and Wales	Ordinary	100.00
Prism Chemicals Limited	England and Wales	Ordinary	100.00
M P Storage and Blending Limited	England and Wales	Ordinary	100.00
K M Z Chemicals Limited	England and Wales	Ordinary	100.00
Banner Chemicals Benelux NV	Belgium	Ordinary	65.00
2M London Limited	England and Wales	Ordinary	100.00
SB Dormantco One Limited	England and Wales	Ordinary	100.00
SB Dormantco Three Limited	England and Wales	Ordinary	100.00
Samuel Banner Polymers Limited	England and Wales	Ordinary	100.00
Integrated Chemcial Specialties Limited	England and Wales	Ordinary	100.00
Stowlin Limited	England and Wales	Ordinary	100.00
Samuel Banner Property Co Limited	England and Wales	Ordinary	100.00
Croftshaw (Solvents) Limited	England and Wales	Ordinary	100.00
Stowlin Croftshaw Limited	England and Wales	Ordinary	100.00
Stowlin Specialised Chemicals Limited	England and Wales	Ordinary	100.00
Xinglong Banner (Shouguang) Chemicals Co. Limited	China	Ordinary	51.00

BANNER CHEMICALS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2015

3 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
Banner Chemicals Limited	Holding company	9,669,937	24,301
Samuel Banner & Co Limited	Distribution of chemical industry products	11,040,545	822,612
Prism Chemicals Limited	Formulation of chemical industry products	(1,314,645)	(306,907)
M P Storage and Blending Limited	Storage and blending of chemical industry products	(259,166)	(648,999)
K M Z Chemicals Limited	Distribution of chemical industry products	269,389	92,233
Banner Chemicals Benelux NV	Distribution of chemical industry products	(384,517)	(64,596)
2M London Limited	Dormant	7,601,995	-
SB Dormantco One Limited	Dormant	9,198	-
SB Dormantco Three Limited	Dormant	238,052	-
Samuel Banner Polymers Limited	Dormant	(175,820)	-
Integrated Chemical Specialties Limited	Dormant	-	-
Stowlin Limited	Distribution of chemical industry products	1,524,943	41,400
Samuel Banner Property Co Limited	Property holding company	1	-
Croftshaw (Solvents) Limited	Dormant	15,000	-
Stowlin Croftshaw Limited	Dormant	2	-
Stowlin Specialised Chemicals Limited	Dormant	-	-
Xinglong Banner (Shouguang) Chemicals Co. Limited	Distribution of chemical industry products	29,686	(22,880)

The investment in Banner Chemicals Limited is held directly by the company. All other subsidiary interests are indirectly held by the company.

The subsidiary company Xinglong Banner (Shouguang) Chemicals Co. Limited is incorporated in the People's Republic of China and has a reporting date of 31 December. The subsidiary prepares separate accounts to 30 April to enable the above disclosures.

BANNER CHEMICALS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2015**

4 Debtors	2015	2014
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	33,705	33,705
5 Creditors: amounts falling due within one year	2015	2014
	£	£
Other creditors	16,827	16,827
6 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Amounts owed to group undertakings	3,591,774	3,591,774
The amount due to fellow subsidiary companies has no fixed repayment period and is interest free.		
7 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
25,800,000 Ordinary shares of 1p each	258,000	258,000
8 Statement of movements on reserves	Share premium account	Profit and loss account
	£	£
Balance at 1 May 2014	72,000	811
Balance at 30 April 2015	72,000	811

BANNER CHEMICALS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

9	Reconciliation of movements in Shareholders' funds	2015 £	2014 £
	Loss for the financial year	-	-
	Opening Shareholders' funds	330,811	330,811
		<hr/>	<hr/>
	Closing Shareholders' funds	330,811	330,811
		<hr/>	<hr/>

10 Contingent liabilities

The company has granted a composite guarantee and debenture to Investec Bank plc in respect of amounts due to the bank from 2M Group Limited and its subsidiaries.

The company has granted a debenture to a former shareholder of 2M Holdings Limited in respect of amounts due to him from 2M Group Limited.

11 Control

The company is a wholly owned subsidiary of 2M Holdings Limited, a company incorporated and registered in England and Wales.

The ultimate parent company is 2M Group Limited, a company incorporated and registered in England and Wales.

The accounts of the company are included in the consolidated accounts of 2M Group Limited. A copy of the consolidated accounts can be obtained from Companies House.

The director, M Kessler, has overall control of the group.

12 Related party relationships and transactions

The company has taken advantage of the exemption available under FRS 8 'Related party disclosures' not to disclose transactions entered with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company 2M Group Limited.