

Company Registration No. 4530131

2M HOLDINGS LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 30 APRIL 2011



2M HOLDINGS LIMITED

CONTENTS

	Page
Directors, Company Secretary and Advisers	1
Directors' report	2-4
Independent auditors' report	5-6
Consolidated statement of comprehensive income	7-8
Consolidated statement of financial position	9-10
Consolidated cash flow statement	11
Notes to the financial statements	12-34
Financial Statements of 2M Holdings Limited	35-41

2M HOLDINGS LIMITED

DIRECTORS, SECRETARY AND ADVISERS

Directors	M Kessler I J Thomas C Boyle
Company Secretary	I J Thomas
Registered Office	Quadrant House Floor 6 4 Thomas More Square London E1W 1YW
Business Address	Hampton Court Manor Park Runcorn Cheshire WA7 1TU
Company Number	4530131
Auditors	UHY Hacker Young Chartered Accountants Quadrant House 4 Thomas More Square London E1W 1YW
Principal Bankers	Yorkshire Bank The Chancery 58 Spring Gardens Manchester M2 1YB
Solicitors	Squire, Saunders & Dempsey LLP 2 Park Lane Leeds LS3 1ES

2M HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011

The directors present their annual report and the audited financial statements of the group and of the Company for the year ended 30 April 2011

Activities and review of business

The principal activity of the company is to act as a holding company

The group financial statements consolidate those of the company and its subsidiaries. The Group prepares its financial statements in accordance with International Financial Reporting Standards

Financial Key Performance Indicators

During the year, reported turnover increased to £99,218,974 (2010 £80,485,668), and Gross Profit, a key performance indicator within our business, increased to £24,355,951 (2010 £19,406,686). Whilst trading conditions remain competitive, the Directors are pleased to report that our strategy to focus on specialty product lines and value added transactions has not only driven an improvement in Gross Profit of £4,949,265 / 25.5%, but that the Gross Profit percentage has increased from 24.1% to 24.5%.

We have seen increases in our Distribution and Administrative costs, but less than commensurate with the increases in activity levels.

Our Operating Profit has increased to £5,954,444 (2010 £4,578,779).

Principal risks and uncertainties

Whilst there has been some easing in the economic climate during the reporting period, the chemical distribution markets remain as competitive as ever.

We look to overcome these uncertainties by continuing to build robust relationships with our suppliers and customers, and this, coupled with our focus on value added transactions, has enabled us to build on an already successful base.

The company's position at the end of the year

Increased activity levels and our willingness to hold stock positions have seen our working capital levels rise. However, the strong profit performance of the Company has seen an overall improvement in Cash & Cash Equivalents of £1,230,957. Our Net Asset position improved by £3,002,013.

The Directors remain confident that, with the support of employees, suppliers and customers, the business is well placed to meet the challenges of the markets over the coming year.

Results and dividends

The consolidated results for the year are set out on page 7.

An interim ordinary dividend was paid amounting to £140,000. The directors do not recommend the payment of a final dividend.

2M HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011

Directors

The following directors held office during the period as set out below

M Kessler
I J Thomas
C R Boyle

Creditor payment policy

Terms and conditions are agreed with suppliers before business takes place and payment of agreed invoices is then made in a timely manner

Employment policy

The Company actively encourages the development of employee involvement within the business. The Company holds regular meetings to update employees on pertinent matters, and to provide opportunities for employees to contribute to the success of the business.

The Company does not discriminate against existing or potential employees on the grounds of racial, religious, sexual, or political grounds, or physical disabilities.

Research and development

Market research and product development are seen as essential factors for the continuing success of business going forward.

Use of financial instruments

The company transacts in currencies other than sterling, primarily Euros and US Dollars, and therefore runs a level of exposure. The company seeks to minimise this by natural hedging of purchase and sale transactions.

The funding arrangements with Yorkshire Bank are part linked to base rate and part to LIBOR. The company has entered a LIBOR based interest rate hedge to negate any exposure on the latter. The group currently makes no other use of financial instruments.

Market value of land and buildings

The Directors consider that the market value of the group's land and buildings is not materially different to the carrying value of £3,315,210 as shown in the consolidated statement of financial position.

Auditors

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

2M HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and of the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- i) select suitable accounting policies and then apply them consistently,
- ii) make judgements and estimates that are reasonable and prudent,
- iii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business, and
- iv) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

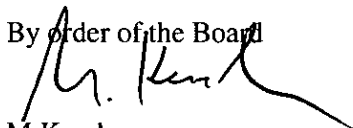
The directors confirm that the financial statements comply with the above requirements

The directors are responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and of the group and for taking steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditor

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

By order of the Board



M Kessler

Director

29 September 2011

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 2M HOLDINGS LIMITED

We have audited the group and parent company financial statements of 2M Holdings Limited for the year ended 30 April 2011 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position and company balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 auditors

The directors' responsibilities for preparing the directors' report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the parent company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), are explained more fully in the Statement of Directors' Responsibilities set out on page 4.

Our responsibility is to audit 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2011 and of the group's profit and the parent company's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF 2M HOLDINGS LIMITED**

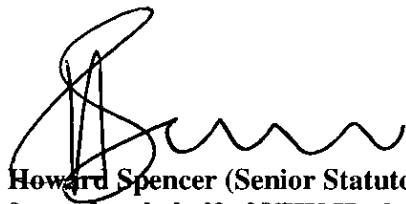
Opinion on other matter prescribed by the Companies Act 2006

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

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 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



**Howard Spencer (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP**

Chartered Accountants
Statutory Auditor
29 September 2011

2M HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Revenue	2	99 218 974	80,485,668
Cost of sales		(74,863,023)	(61,078,982)
Gross profit		24,355,951	19,406,686
Distribution costs		(6,188,919)	(5,076,525)
Administrative expenses		(12,212,588)	(9,751,382)
Operating profit	3	5,954,444	4,578,779
(Loss) / Profit on disposal of property, plant and equipment		(17,651)	29
Finance costs	4	(1,145,039)	(1,315,870)
Finance income	5	565,845	462,209
Profit before taxation		5,357,599	3,725,147
Taxation	6	(1 479,466)	(1 072,525)
Profit for the year		3,878,133	2,652,622
Other comprehensive income:			
Actuarial gains / (losses) on defined benefit scheme		(945,000)	790,000
Deferred tax associated with defined benefit scheme		208 880	(221 200)
Other comprehensive income for the year net of tax		(736,120)	568,800
Total comprehensive income for the year	19	3,142,013	3,221,422

2M HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
Profit attributable to:			
Equity holders of the parent company		3,878,133	2,648,117
Non-controlling interests		-	4,505
		<u>3,878,133</u>	<u>2,652,622</u>
		<u><u>3,878,133</u></u>	<u><u>2,652,622</u></u>
Total comprehensive income attributable to:			
Equity holders of the parent company	19	3,142,013	3,216,917
Non-controlling interests	19	-	4,505
		<u>3,142,013</u>	<u>3,221,422</u>
		<u><u>3,142,013</u></u>	<u><u>3,221,422</u></u>

2M HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2011

	Notes	£	2011 £	£	2010 £
Assets					
Non-current assets					
Intangible assets	9		12,334,685		12,433,416
Property, plant and equipment	10		6,772,572		6,937,356
Deferred tax asset	15		526,739		209,974
Total non- current assets			19,633,996		19,580,746
Current assets					
Inventories	11	8,630,722		6,604,276	
Trade and other receivables	12	22,378,076		17,978,023	
Other accrued income	12	1,201,743		849,490	
Cash and cash equivalents	20	3,016,227		1,087,829	
Total current assets			35,226,768		26,519,618
Total assets			54,860,764		46,100,364
Liabilities					
Current liabilities					
Bank borrowings and overdrafts	14	10,503,272		9,805,831	
Trade and other payables	13	19,785,190		15,156,516	
Current tax liabilities	13	938,117		466,817	
Total current liabilities			31,226,579		25,429,164
Non- current liabilities					
Bank borrowings	14	3,685,000		4,185,000	
Financial liabilities – derivative financial instruments	14	523,918		759,456	
Accruals and deferred income	16	141,987		248,477	
Employee benefit liability	17	2,525,000		1,722,000	
Total non- current liabilities			6,875,905		6,914,933
Total Liabilities			38,102,484		32,344,097
Total Net Assets			16,758,280		13,756,267

2M HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued) AS AT 30 APRIL 2011

	Notes	2011 £	2010 £
Equity			
Share capital	18	260,000	260 000
Revaluation reserve	19	355,000	355,000
Other reserves	19	69,767	69,767
Retained earnings	19	16,073,513	13,071,500
		<hr/>	<hr/>
Equity attributable to equity holders of the parent		16,758,280	13,756,267
Minority interest in equity	19	-	-
		<hr/>	<hr/>
Total equity		16,758,280	13,756,267
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2011



M Kessler
Director



C Boyle
Director

Company Registration No. 4530131

2M HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Cash flows from operating activities			
Profit before taxation		5,357,599	3,725,147
Add back non-operating items:			
Financial income		(565,845)	(462,209)
Financial expense		1,145,039	1,315,870
Loss / (profit) on sale of property, plant and equipment		17,651	(29)
Adjustments for:			
Pension movement (cost less contributions)		(316,000)	(313,000)
Depreciation		493,189	459,563
Increase in inventories		(2,026,446)	(2,022,212)
Increase in receivables		(4,752,306)	(2,938,017)
Increase in payables		4,291,856	2,219,283
Cash generated from operations		3,644,737	1,984,396
Financial expenses		(448,039)	(585,870)
Income taxes paid		(1,116,051)	(517,791)
Net cash generated by operating activities		2,080,647	880,735
Cash flows from investing activities			
Payments for property plant and equipment		(346,056)	(366,660)
Payments to acquire minority interests		-	(346,995)
Receipts from sale of non-current assets		-	8,750
Release of prior year dividends		93,521	-
Interest received		42,845	12,209
Net cash used in investing activities		(209,690)	(692,696)
Cash flows from financing activities			
Repayments of long term loans		(500,000)	(500,000)
Dividends paid to company's shareholders		(140,000)	(100,000)
Net cash used in financing activities		(640,000)	(600,000)
Net increase/(decrease) in cash and cash equivalents		1,230,957	(411,961)
Cash and cash equivalents at the beginning of the financial year		(8,718,002)	(8,306,041)
Cash and cash equivalents at the end of the financial year	20	(7,487,045)	(8,718,002)

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 Accounting policies

2M Holdings Limited is a company incorporated in England and Wales

The group financial statements for the year ended 30 April 2011 consolidate those of the company and its subsidiaries (together referred to as the "group") The parent company financial statements present information about the company as a separate entity and not about its group

The group has adopted the accounting policies set out below in preparation of the financial information for the year ended 30 April 2011 All of these policies have been applied consistently throughout the year unless otherwise stated

1.1 Basis of preparation

The group financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("Adopted IFRSs")

The parent company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles, and in accordance with the Companies Act 2006 The directors have taken advantage of the exemption offered by section 408 of the Companies Act not to produce a separate income statement for the parent company

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiary undertakings The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate

All business combinations are accounted for using the acquisition method of accounting

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group All intra-group transactions, balances, income and expenses are eliminated in full on consolidation

1.3 Revenue recognition

Revenue represents amounts receivable for goods and services, net of VAT and trade discounts

Amounts received for the sublicencing of intangible assets is shown as deferred income, and is released to the statement of comprehensive income over the period of the sublicencing agreement

1.4 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary companies represents the excess of the fair value of the consideration given over the fair value of the group's share of the net identifiable assets acquired

In accordance with IFRS 3 – Business Combinations, goodwill is not amortised but tested for impairment annually or when there are any indications that its carrying value is not recoverable As such it is stated at cost less any provision for impairment in value

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 5 **Investments**

Investments are stated at cost less any provision for impairment

1 6 **Property, plant and equipment**

Buildings, property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, using the straight line method as follows

Freehold buildings	50 years
Office equipment and computers	10-20 years
Fixtures and fittings	3-10 years
Motor vehicles	4-5 years

Land is not depreciated

1 7 **Inventories**

Inventories are stated at the lower of cost and net realisable value

1 8 **Financial assets and liabilities**

If significant, financial assets and financial liabilities that arise on derivatives that do not qualify for hedge accounting are held on the balance sheet at fair value, with the changes in value reflected through the income statement

1 9 **Employee benefits**

Companies within the group operate a defined benefit pension scheme. The scheme is closed to new entrants and is also closed to future accruals

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised in the statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the Projected Unit Method. The actuarial valuations are obtained at least triennially and are updated at each financial reporting date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the statement of financial position.

The companies within the group also participate in a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income as they become payable within the rules of the scheme.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 10 Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Sterling, which is the functional currency of the group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

1 11 Taxation

Tax on the profit or loss for the periods presented comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1 12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged against income on a straight line basis.

1 13 New standards and interpretations

During the year under review the following accounting standards were issued and adopted by the group:

IFRS 3 – Business Combinations

The revised standard is applicable to accounting periods commencing on or after 1 July 2009 and amends the acquisition accounting method for business combinations. The revised standard is not retrospective and does not affect the accounting treatment of business combinations prior to the applicable date.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 13 New standards and interpretations (continued)

IAS 27 – Consolidated and Separate Financial Statements

The revised standard is applicable to accounting periods commencing on or after 1 July 2009 and requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control. In addition the standard amends the treatment when control of a subsidiary is lost.

The following standards and interpretations, issued by the IASB or the IFRIC, were in issue but not yet effective at the date of authorisation of these financial statements and have not yet been adopted by the group.

	Effective date
IFRS 3 Amendments to IFRS 3 – Business Combinations	1 July 2010
IFRS 7 Amendments to IFRS 7 – Financial Instruments Disclosures	1 January 2011
IFRS 9 Financial Instruments Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure on Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 1 Presentation of Financial Statements (Revised)	1 January 2011
IAS 1 Amendments to IAS 1 – Presentation of Financial Statements	1 January 2012
IAS 12 Amendments to IAS 12 – Income Taxes	1 January 2012
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013
IAS 24 Related Party Disclosures (Revised)	1 January 2011
IAS 27 Consolidated and Separate Financial Statements (Revised)	1 July 2010
IAS 27 Reissued as IAS 27 – Separate Financial Statements	1 January 2013
IAS 28 Reissued as IAS 28 – Investments in Associates and Joint Ventures	1 January 2013
IFRIC 14 Amendments to IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction Prepayments of a minimum funding requirement	1 January 2011

The group does not consider that any other standards or interpretations issued by the IASB or the IFRIC, either applicable in the current period or not yet applicable, have, or will have, a significant impact on the consolidated financial statements.

1 14 Critical accounting estimates, assumptions and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experience and other factors which include expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may differ from the related actual results.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 14 Critical accounting estimates, assumptions and judgments (continued)

The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the future financial years are as follows

a) Goodwill

The group follows the requirements of IAS 36 – Impairment of Assets and tests goodwill annually to determine when goodwill is impaired (see accounting policy in note 1 4 above and goodwill in note 9 below) This determination requires significant judgment In making this judgment, the group estimates the recoverable amount of the cash generating units to which goodwill has been allocated based on value-in-use calculations The value-in-use calculations require the entity to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value For the purpose of impairment testing, goodwill has been allocated to the company's subsidiaries

b) Depreciation, useful lives and residual values of property, plant & equipment

The directors estimate the useful lives and residual values of property, plant & equipment in order to calculate the depreciation charges Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of comprehensive income and the carrying values of the property, plant & equipment in the statement of financial position

c) Fair value of derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques The group has included the derivative (interest rate hedge) in the statement of financial position at their bank's mark to market valuation

d) Pension benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions The assumptions used in determining the net cost for pensions include the discount rate and current market conditions Additional information is disclosed in note 17 Any changes in these assumptions will impact the carrying amount of pension obligations

The group has taken external advice in relation to the impact of IFRIC 14 and has concluded that no additional provision is required in the financial statements in respect of the minimum funding requirement

e) Fair value of plant, property and equipment

The directors have reviewed the carrying values of the group's plant, property and equipment, and conclude that no impairment is required

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

2 Segmental reporting

The Board of Directors consider the reportable operating segment in accordance with IFRS 8 – Operating Segments, to be that of Storage, Blending and Distribution of Chemical Products on the basis that this represents the long term financial performance and economic characteristics of the group

The remaining activities of the group are considered by the Board to fulfil support and ancillary functions and have therefore been aggregated as “All other segments”

The group generates sales to customers across the globe and the geographical analysis of revenue is set out below. Despite its global sales, the group’s operations, assets and staff are all located in the United Kingdom and therefore no further segmental analysis has been presented on a geographical basis

Revenue		
Geographical location	2011	2010
	£	£
United Kingdom and EIRE	84,036,454	71,038,399
Europe	4,870,341	4,044,585
Americas	1,168,396	588,509
Australasia	24,320	19,200
Africa	1,616,614	833,659
Middle East	1,232,140	814,092
Asia	4,706,411	2,645,709
Other	1,564,298	501,515
	<hr/>	<hr/>
	99,218,974	80,485,668
	=====	=====

Revenues from 20 (2010 20) customers of the group’s Storage, Blending and Distribution of Chemical Products segment represent approximately 19% (2010 20%) of the group’s total revenues

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

2	Segmental reporting (continued)	Storage, blending & distribution £	All other segments £	2011 Total £	Storage, blending & distribution £	All other segments £	2010 Total £
	Revenue						
	Total revenue	100,202,089	1,520,144	101,722,233	80,379,178	1,140,493	81,519,671
	Inter segment sales	(1,089,605)	(1,413,654)	(2,503,259)	-	(1,034,003)	(1,034,003)
	Sales to external customers	99,112,484	106,490	99,218,974	80,379,178	106,490	80,485,668
	Profit / (loss)						
	Depreciation on property, plant and equipment	481,164	12,025	493,189	450,486	9,077	459,563
	Segment operating profit / (loss)	7,175,214	(1,220,770)	5,954,444	5,502,237	(923,458)	4,578,779
	Profit / (loss) on disposal of property, plant and equipment	(17,651)	-	(17,651)	29	-	29
	Finance costs	(909,487)	(235,552)	(1,145,039)	(948,427)	(367,443)	(1,315,870)
	Finance income	565,845	-	565,845	462,209	-	462,209
	Profit / (loss) before taxation	6,813,921	(1,456,322)	5,357,599	5,016,048	(1,290,901)	3,725,147
	Taxation	(1,622,848)	143,382	(1,479,466)	(1,176,953)	104,428	(1,072,525)
	Profit / (loss) for the year	5,191,073	(1,312,940)	3,878,133	3,839,095	(1,186,473)	2,652,622
	Assets and liabilities						
	Capital expenditures	271,431	74,625	346,056	366,660	-	366,660
	Segment assets	42,125,058	12,735,706	54,860,764	32,836,161	13,264,203	46,100,364
	Segment liabilities	(32,747,316)	(5,355,168)	(38,102,484)	(26,344,036)	(6,000,061)	(32,344,097)
	Total net assets	9,377,742	7,380,538	16,758,280	6,492,125	7,264,142	13,756,267

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

3 Operating profit

	2011 £	2010 £
The operating profit for the year is stated after charging/(crediting)		
Auditors' remuneration (see below)	76,000	57,000
Depreciation on property, plant and equipment	493,189	459,563
Amounts paid in respect of operating leases for plant and machinery	542,198	423,782
Losses/(Gains) on foreign currency	72,736	65,713
	=====	=====
Audit services		
Fees payable to the company's auditors for the audit of the parent company and Consolidated accounts	8,500	10,000
Fees payable to the company's auditors for the audit of the company's subsidiaries	67,500	47,000
Other services		
Other services relating to taxation	15,000	15,000
Other	24,000	24,000
	=====	=====

4 Finance costs

	2011 £	2010 £
Bank interest expense	448,039	585,870
Interest on pension scheme liabilities	697,000	730,000
	=====	=====
	1,145,039	1,315,870
	=====	=====

5 Finance income

	2011 £	2010 £
Bank interest income	42,845	12,209
Expected returns on pension scheme assets	523,000	450,000
	=====	=====
	565,845	462,209
	=====	=====

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

6 Taxation

	2011 £	2010 £
UK corporation tax on profits for the year at 28% (2010 28%)	1,587,351	844,726
Deferred tax (credit)/charge origination and reversal of temporary timing differences	(107,885)	227,799
Total tax expense in the income statement	1,479,466	1,072,525
Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	5,357,599	3,725,147
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 28% (2010 28%)	1,500,128	1,043,041
Effects of		
Non-deductible expenses	37,738	32,297
Depreciation in excess of capital allowances previously unrecognised	(43,136)	113,305
Utilisation of previously unrecognised losses	-	(113,146)
Other tax adjustments	(15,264)	(2,972)
	(20,662)	29,484
Total tax charge	1,479,466	1,072,525

Deferred taxation balances are analysed in note 15

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

7 Staff numbers and costs

	2011 Number	2010 Number
The average number of people employed by the group (including directors) during the year was as follows		
Average number of employees during the year	185	172
Staff costs including directors	2011 £	2010 £
Wages and salaries	7,348,350	5,787,599
Social security costs	648,727	657,474
Other pension costs		
Contributions to defined contribution schemes	288,104	282,643
Contributions to defined benefit schemes	316,000	313,000
	8,601,181	7,040,716

8 Directors' emoluments

	2011 £	2010 £
Emoluments for qualifying services		
Aggregate directors' emoluments	667,010	390,989
Pension contributions	38,294	38,294
	705,304	429,283

The number of directors for whom retirement benefits were accruing under defined contribution schemes in the year was 2 (2010 2)

During the year, an amount of £28,200 (2010 £28,000) was paid to I J Thomas, a director of the company, for consultancy services by a subsidiary company

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

9 Intangible non-current assets

Group	Patents £	Goodwill £	Total £
At 1 May 2009	1,000	12,432,416	12,433,416
Acquisition during the year	-	-	-
At 30 April 2010	1,000	12,432,416	12,433,416
At 1 May 2010	1,000	12,432,416	12,433,416
Adjustment in the year	-	(98,731)	(98,731)
At 30 April 2011	1,000	12,333,685	12,334,685

Goodwill represents the goodwill arising on various acquisitions. In accordance with IFRS 3 – Business Combinations, goodwill is not amortised but rather tested for impairment on an annual basis.

Adjustments to goodwill in the year relate to pre-acquisition assets that have been brought back into the group.

The recoverable amount was determined based on value in use and was determined at the cash generating unit which is based on financial budgets approved by the directors using the following key assumptions:

- i) Cash flows are projected based on expected revenue to be generated from the existing business model,
- ii) Inflation rate of 3% per annum,
- iii) A pre-tax discount rate of 10%

The above key assumptions represent the directors' assessment of the future outlook based on their best estimates and they believe that it is unlikely that any significant variation in the above assumptions would significantly affect the recoverable amount of goodwill.

There has been no impairment in value during the year.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

10 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2009	3,869,186	9,534,332	61,280	13,464,798
Additions	3,100	343,708	19,852	366,660
Disposals	-	(17,694)	-	(17,694)
	=====	=====	=====	=====
At 30 April 2010	3,872,286	9,860,346	81,132	13,813,764
	=====	=====	=====	=====
At 1 May 2010	3,872,286	9,860,346	81,132	13,813,764
Additions	74,625	271,431	-	346,056
Disposals	-	(67,902)	-	(67,902)
	=====	=====	=====	=====
At 30 April 2011	3,946,911	10,063,875	81,132	14,091,918
	=====	=====	=====	=====
Depreciation				
At 1 May 2009	710,152	5,692,320	23,346	6,425,818
Charge for the year	49,282	390,591	19,690	459,563
Disposals	-	(8,973)	-	(8,973)
	=====	=====	=====	=====
At 30 April 2010	759,434	6,073,938	43,036	6,876,408
	=====	=====	=====	=====
At 1 May 2010	759,434	6,073,938	43,036	6,876,408
Charge for the year	52,267	423,786	17,136	493,189
Disposals	-	(50,251)	-	(50,251)
	=====	=====	=====	=====
At 30 April 2011	811,701	6,447,473	60,172	7,319,346
	=====	=====	=====	=====
Net book value				
At 30 April 2011	3,135,210	3,616,402	20,960	6,772,572
	=====	=====	=====	=====
At 30 April 2010	3,112,852	3,786,408	38,096	6,937,356
	=====	=====	=====	=====
At 30 April 2009	3,159,034	3,842,012	37,934	7,038,980
	=====	=====	=====	=====

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

10 Property, plant and equipment (continued)

Freehold land and buildings include non-depreciable land with a value of £1,337,818 (2010 £1,337,818)

The freehold land and buildings have been revalued by the directors at 30 April 2011 on an open market basis

11 Inventories

	2011 £	2010 £
Goods for resale	8,630,722 =====	6,604,276 =====

12 Trade and other receivables

	2011 £	2010 £
Trade receivables	22,340,264	17,898,542
Other receivables	37,812	79,481
Prepayments and accrued income	1,201,743	849,490
	<hr/> 23,579,819 =====	<hr/> 18,827,513 =====

13 Trade and other payables

	2011 £	2010 £
Bank loans and overdrafts (secured)	10,503,272	9,805,831
Trade payables	12,682,746	10,717,043
Income tax	938,117	466,817
Taxation and social security	1,286,230	1,514,573
Other payables	512,924	271,458
Accruals and deferred income	5,303,290	2,653,442
	<hr/> 31,226,579 =====	<hr/> 25,429,164 =====

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

14 Financial Instruments and Financial Risk Management

This note provides information about the contractual terms of the group's interest bearing loans and borrowings

	2011 £	2010 £
Current liabilities:		
Bank facilities, loans and overdrafts (secured)	10,503,272	9 805,831
	=====	=====
Non current:		
Bank loans (secured)	3 685,000	4,185,000
	=====	=====
The borrowings are repayable as follows:		
Bank loans		
On demand or within one year	10,503,272	9,805,831
Between one and two years	500,000	500,000
Between two and five years	1,686,000	1,686,000
In five years or more	1,499,000	1,999,000
	-----	-----
	14,188,272	13,990,831
Less Amount due within 12 months (shown under current liabilities)	(10,503,272)	(9,805,831)
	-----	-----
	3,685,000	4,185,000
	=====	=====

Short term bank funding totalling £9,947,840 is repayable on demand, and is secured on certain of the group's debtors £500,000 represents the current liability element of the long term loans The remainder of the short term funding – £55,432 – represents overdrafts

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

14 Financial Instruments and Financial Risk Management (continued)

The group has two long term loans totalling £4,185,000 (2010 £4,685,000) Repayments have commenced and will continue until 2022

All the group's funding is subject to a group guarantee (note 22)

	2011 £	2010 £
Financial Liabilities – derivative financial instrument	523,918 =====	759,456 =====

During the period ended 30 April 2008, the group entered into a 5 year interest rate swap of £7,000,000 on the bank loans and overdrafts at a fixed rate of 6.19% The fair value of this financial instrument is significant and is included in the financial statements The fair value of the derivative financial instrument is based on 'Mark to Market' prices as provided by the group's bankers

Categories of financial assets and liabilities

Financial assets at fair value through the profit or loss	- None
Held-to-maturity assets	- None
Loans and receivables	- Trade and other receivables
Available-for-sale financial assets	- None
Financial liabilities at fair value through the profit or loss	- Interest rate swap
Financial liabilities measured at amortised cost	- Overdrafts and loans

The fair values of all financial assets and liabilities other than the interest rate swap are not materially different from their carrying amounts

Financial Risk Management

The group recognises that it has exposures to the following financial risks, and seeks to redress them as noted below

Financial risk factors

i) Foreign exchange risk

The group transacts in currencies other than sterling, primarily Euros and US Dollars, and therefore runs a level of exposure The group seeks to minimise this by natural hedging of purchase and sale transactions

ii) Credit risk

The group operates in standard business to business commercial markets As such, the majority of transactions are conducted on credit terms, with the details of such terms being determined by the relative transaction size and commercial risk of the specific transaction /entity The group seeks to restrict these levels of exposure further by covering such sales with commercially available credit insurance, through recognised underwriters

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

14 Financial Instruments and Financial Risk Management (continued)

iii) Liquidity risk

The banking arrangements with Yorkshire Bank, who provide term loan and overdraft facilities have been renewed and provide sufficient working capital for the 2M group of companies

iv) Interest rate risk

The company has entered into a five year interest rate swap of £7,000,000 at a fixed rate of 6.19%. This substantially negates interest rate fluctuations on the outstanding bank loan and overdraft facilities

The group has no financial assets other than short term receivables and cash at bank. All financial liabilities (as above) are held at a floating rate of interest (based on either bank base rate or LIBOR)

15 Deferred tax assets and liabilities

	Employee Benefits £	Excess capital allowances £	Other timing differences £	Total £
As at 1 May 2009	(712,960)	260,836	(206,849)	(658,973)
Charge/credit to income statement	9,240	119,787	98,772	227,799
Charge/credit to equity	221,200	-	-	221,200
As at 1 May 2010	(482,520)	380,623	(108,077)	(209,974)
Charge/credit to income statement	34,900	25,485	(168,270)	(107,885)
Charge/credit to equity	(208,880)	-	-	(208,880)
As at 30 April 2011	(656,500)	406,108	(276,347)	(526,739)
Deferred tax asset	(656,500)	-	(276,347)	(932,847)
Deferred tax liability	-	406,108	-	406,108
As at 30 April 2011	(656,500)	406,108	(276,347)	(526,739)

Deferred tax is provided for at the future tax rate applying at the reporting date. At 30 April 2011 the future tax rate applying was 26% (2010: 28%).

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

16 Accruals and deferred income

	2011 £	2010 £
Balance at 1 May	354,967	461,457
Deferred income from patent licencing	-	-
Credit to income in the year	(106,490)	(106,490)
	<hr/>	<hr/>
Included under current liabilities	248,477 (106,490)	354,967 (106,490)
	<hr/>	<hr/>
Balance at 30 April	141,987	248,477
	=====	=====

17 Pension liability

Defined Contribution Scheme

The group operates a Defined Contribution Pension Scheme. During the year ended 30 April 2011 the pension cost charge to the income statement amounted to £252,504 (2010 £282,643). There were no outstanding or unpaid contributions at the beginning or end of the year.

Defined Benefit Scheme

Companies within the group operate a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately, being invested with a managed pension fund. The final Salary Scheme is closed to new entrants and is also closed to future accruals.

The most recent valuation was at 30 April 2011. The principal actuarial assumptions made were that investment returns would exceed salary increases by an average of 2% per annum and that present and future pensions would increase at the rate of 5.0% per annum in respect of pension accrued prior to 1 October 2000 by members joining before 1 April 1995, and 3.3% in respect of other accrued pension. The market value of assets of the scheme was £10.8 million and the actuarial valuation of these assets represented 81% of the value of benefits that had accrued to members. The companies are currently making contributions, as recommended by the scheme's actuaries on the basis of triennial valuations using the attained age method.

Contributions in the year totalled £315,600 (2010 £313,000). The estimated employer contributions to the scheme for the next financial year are £315,600.

The scheme's deficit shown below under the IAS 19 basis is £2,525,000 as at 30 April 2011 (2010 £1,722,000).

The directors have relied upon advice from P. Cormack, Fellow of the Institute & Faculty of Actuaries in determining the financial assumptions.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

17 Pension liability (continued)

The main financial assumptions used at the balance sheet date to calculate scheme liabilities under IAS 19 are

	2011	2010
Valuation method	Projected Unit	Projected Unit
Discount rate	5.5%	6.0%
Inflation rate	3.3%	3.2%
Expected rate of salary increases	3.3%	3.2%
Increase to pensions and deferred pensions	3.3%	3.2%
Expected return on assets*	5.2%	5.2%

*The expected rate of return on plan assets was determined, based on actuarial advice, on the long term expectation for each asset class as at 30 April 2011

2M HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2011

17 Pension scheme (continued)

The assets in the pension scheme and the expected rates of return were

	Rate of return expected at 2011	Value at 2011 £	Rate of return expected at 2010	Value at 2010 £	Rate of return expected at 2009	Value at 2009 £	Rate of return expected at 2008	Value at 2008 £	Rate of return expected at 2006	Value at 2006 £
Equities	7.3%	4,200,300	7.0%	4,040,400	7.5%	3,187,060	7.5%	4,934,000	7.5%	5,296,000
Bonds	3.3%/4.5%	5,600,400	3.5%/5.0%	5,180,000	3.5%/4.75%	4,193,500	4.5/5.5%	4,420,000	4.8%	4,325,000
Others	3.3%/5.8%	969,300	3.5%/5.75%	1,139,600	3.5%/6%	1,006,440	5.0-6.5%	926,000	4.6%	812,000
Total market value of scheme assets		10,770,000		10,360,000		8,387,000		10,280,000		10,433,000
Present value of the scheme's liabilities (provided by the actuary)		(13,295,000)		(12,082,000)		(10,932,000)		(12,730,000)		(13,354,000)
Net pension liability (funded)		(2,525,000)		(1,722,000)		(2,545,000)		(2,450,000)		(2,921,000)

The history of experience adjustments is as follows

Experience gains/(losses) on scheme assets	
Amount (£)	493,000
Percentage of scheme assets	5%
Experience gains/(losses) on scheme liabilities	
Amount (£)	(1,437,000)
Percentage of the present value of scheme liabilities	11%
	263,000 3%
	950,000 7%
	635,000 5%

2M HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2011

17 Pension scheme (Continued)

The charge to the statement of comprehensive income comprises:

	2011 £	2010 £
Analysis of the amount charged to operating profit		
Current service cost	-	-
	<u>-</u>	<u>-</u>
Total operating charge	-	-
	<u>-</u>	<u>-</u>
Analysis of amount reported in financial income and expense		
Expected return on pension scheme assets	523,000	450,000
Interest cost	(697,000)	(730,000)
	<u>-</u>	<u>-</u>
Net cost	(174,000)	(280,000)
	<u>-</u>	<u>-</u>
Analysis of amount recognised under other comprehensive income		
Experience gains and losses arising on the scheme assets	492,000	1,618,000
Experience gains and losses arising on the scheme liabilities	(1,437,000)	(828,000)
	<u>-</u>	<u>-</u>
Net actuarial (losses) / gains recognised under other comprehensive income	(945,000)	790,000
	<u>-</u>	<u>-</u>
Reconciliation of change in assets and liabilities		
Change in defined benefit obligation:		
Defined benefit obligations at beginning of year	12,082,000	10,932,000
Movement in year		
Current service cost	-	-
Interest cost	697,000	730,000
Actual employee contributions	-	-
Actuarial loss on obligation	1,437,000	828,000
Actual benefits paid	(921,000)	(408,000)
	<u>-</u>	<u>-</u>
Defined benefit obligation at end of year	13,295,000	12,082,000
	<u>-</u>	<u>-</u>

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

17 Pension scheme (Continued)

	2011 £	2010 £
Change in plan assets:		
Fair value of plan assets at beginning of year	10,360,000	8,387,000
Movement in year		
Expected return on plan assets	523,000	450,000
Actual employer contributions	316,000	313,000
Actual employee contributions	-	-
Actuarial gain on plan assets	492,000	1,618,000
Actual benefits paid	(921,000)	(408,000)
	<u>10,770,000</u>	<u>10,360,000</u>
Funded status – Financial position		
Net pension liability	<u>(2,525,000)</u>	<u>(1,722,000)</u>

18 Share capital

	2011 £	2010 £
Authorised:		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid:		
260,000 Ordinary shares of £1 each	260,000	260,000
	<u>260,000</u>	<u>260,000</u>

	Number of shares	Share Capital £
As at 30 April 2010 and 30 April 2011	260,000	<u>260,000</u>

The company has one class of ordinary shares which carry no right to fixed income

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

19	Statement of changes in equity	Attributable to equity shareholders			Total	Non-Controlling Interests	Total Equity
		Retained Earnings	Revaluation Reserve	Capital Reserve			
		£	£	£	£	£	£
	At 1 May 2009	9,939,123	355,000	69,767	10,363,890	357,950	10,721,840
	Total comprehensive income for the year	3,216,917	-	-	3,216,917	4,505	3,221,422
	Acquisition of non-controlling interest	15,460	-	-	15,460	(362,455)	(346,995)
	Dividends paid	(100,000)	-	-	(100,000)	-	(100,000)
	At 30 April 2010	13,071,500	355,000	69,767	13,496,267	-	13,496,267
	At 1 May 2010	13,071,500	355,000	69,767	13,496,267	-	13,496,267
	Total comprehensive income for the year	3,142,013	-	-	3,142,013	-	3,142,013
	Dividends paid	(140,000)	-	-	(140,000)	-	(140,000)
	At 30 April 2011	16,073,513	355,000	69,767	16,498,280	-	16,498,280

Capital reserve

This reserve relates to non-distributable reserves within the company

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

20 Cash and cash equivalents

	2011 £	2010 £
Cash at bank and in hand	3,016,227	1,087,829
Bank overdrafts/funding	(10,503,272)	(9,805,831)
	<hr/>	<hr/>
Cash and cash equivalents in the cash flow statement	(7,487,045)	(8,718,002)
	<hr/>	<hr/>

21 Operating leases

The total future minimum lease payments under operating leases are as follows:

	2011 £	2010 £
Within one year	671,447	565,284
Between one and five years	1,426,280	652,943
After five years	669,128	66,000
	<hr/>	<hr/>
	2,766,855	1,284,227
	<hr/>	<hr/>

22 Guarantees and other financial commitments

- a) At 30 April 2011 the group had no capital commitments (2010 £Nil)
- b) The group has issued a debenture and composite guarantee in respect of amounts due to the Bank from 2M Holdings Limited and its subsidiaries
- c) 2M Holdings Limited has issued guarantees to the Samuel Banner Pension Fund Limited as trustee of the Samuel Banner staff pension scheme. The guarantee states that 2M Holdings Limited is obliged to make payments to the Scheme up to a maximum amount of £2,900,000

23 Control

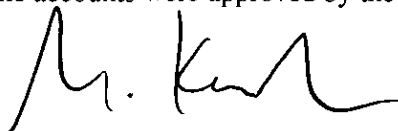
2M Holdings Limited and its subsidiaries are controlled by M Kessler, a director of the company

2M HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 30 APRIL 2011

	Notes	30 April 2011 £	30 April 2010 £
Fixed assets			
Investments	4	601,238	601,238
Current assets			
Debtors	5	6,086,343	5,769,829
Cash at bank and in hand		18,458	98,405
		<u>6,104,801</u>	<u>5,868,234</u>
Creditors: amounts falling due within one year	6	(1,207,897)	(687,422)
		<u>4,896,904</u>	<u>5,180,812</u>
Net current assets/ (liabilities)			
		4,896,904	5,180,812
Total assets less current liabilities		<u>5,498,142</u>	<u>5,782,050</u>
Creditors:			
Amounts falling due after one year	7	(3,685,000)	(4,185,000)
Provisions	8	(210,689)	(251,163)
		<u>1,602,453</u>	<u>1,345,887</u>
Net Assets			
		1,602,453	1,345,887
Capital and reserves			
Called up share capital	9	260,000	260,000
Profit and loss account	10	1,342,453	1,085,887
		<u>1,602,453</u>	<u>1,345,887</u>
Shareholders funds - equity	11	<u>1,602,453</u>	<u>1,345,887</u>

The accounts were approved by the Board on 29 September 2011



M Kessler - Director



C Boyle - Director

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1 Accounting policies

The significant accounting policies, which have been applied in preparing the accounts are as follows

1.1 Basis of preparation

The separate financial statements of the company are presented as required by Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

1.2 Turnover

Turnover represents management fees, intergroup interest and intercompany dividends.

1.3 Investments

Investments are stated at cost less any provision for impairment.

1.4 Deferred Tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Profit attributable to members of the parent company

The company has taken advantage of the exemption under Section 480 of the Companies Act 2006 in not presenting its own profit and loss account. The profit after taxation and dividends amounted to £256,566 for the year ended 30 April 2011 (2010: £321,198).

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

3 Taxation

	2011 £	2010 £
UK corporation tax		
Current year tax (credit)	(36,275)	(29,907)
Prior year adjustment	8,357	-
	<u>(27,918)</u>	<u>(29,907)</u>
Tax (credit) on profit on ordinary activities	(27,918)	(29,907)
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	368,648	391,291
Profit on ordinary activities before taxation multiplied by standard rate of UK corporate tax of 28% (2010 28%)	103,221	109,561
Effects of:		
Non-deductible expenses	504	532
Prior year adjustment	8,357	-
Dividends and distributions received	(140,000)	(140,000)
	<u>(131,139)</u>	<u>(139,468)</u>
Current tax (credit)	(27,918)	(29,907)

4 Fixed asset investments

	Shares in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 May 2010	601,238	-	601,238
Additions	-	-	-
Adjustments	-	-	-
	<u>601,238</u>	<u>-</u>	<u>601,238</u>
At 30 April 2011	601,238	-	601,238

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

4 Fixed asset investments (continued)

The group's subsidiary undertakings (incorporated in England and Wales unless otherwise stated below) at 30 April 2011 were as follows

Subsidiary undertakings	Activities	Ownership (ordinary shares & voting rights)	
		2011	2010
Held directly:			
Banner Chemicals Holdings Limited	Holding company	100%	100%
Surfachem Holdings Limited	Holding company	100%	100%
Held indirectly			
Banner Chemicals Limited	Holding company	100%	100%
Samuel Banner & Co Limited	Formulation and distribution of solvents and performance cleaning product	100%	100%
Prism Chemicals Limited	Blending and formulation of solvents and chemical products	100%	100%
M P Storage and Blending Limited	Storage, drumming and blending of solvents and chemical products	100%	100%
Surfachem Group Limited	Holding Company	100%	100%
Surfachem Limited	Distribution of chemical industry products	100%	100%
Samplerite Limited	Distribution of chemical industry samples	100%	100%
Samplerite Qingdao Limited	Distribution of chemical industry samples	100%	-
FilRite Limited	Decanting and packaging of chemical industry products	100%	100%

The subsidiary company, Samplerite Qingdao Limited, is incorporated in the People's Republic of China and has a reporting date of 31 December. The company was incorporated in December 2010 and commenced trading during January 2011. The amounts consolidated in the group accounts at 30 April 2011 for this company have been prepared from management accounts which the Directors consider to be an accurate reflection of the company's position and performance in the period and further that they are not material within the context or value of the group as a whole.

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

4 Fixed asset investments (continued)

Subsidiary undertakings	Activities	Ownership (ordinary shares & voting rights)	
		2011	2010
Dormant subsidiaries held indirectly			
Worsall Limited	Dormant	100%	100%
Surfachem International Limited	Dormant	100%	100%
Gel-Chem Limited	Dormant	100%	100%
Speciality Food Ingredients Limited	Dormant	100%	100%
Netscore Limited	Dormant	100%	100%
Samuel Banner Polymers Limited	Dormant	100%	100%
SB Dormantco One Limited	Dormant	100%	100%
SB Dormantco Three Limited	Dormant	100%	100%
2M London Limited	Dormant	100%	100%

5 Debtors

	30 April 2011 £	30 April 2010 £
Due from subsidiary undertakings	6,050,068	5,739,922
Corporation tax repayable	36,275	29,907
	<hr/>	<hr/>
	6,086,343	5,769,829
	=====	=====

6 Creditors: Amounts falling due within one year

	30 April 2011 £	30 April 2010 £
Other creditors	195,600	103,983
Accruals	3,500	3,500
Due to subsidiary undertakings	508,797	79,939
Bank loans (secured)	500,000	500,000
	<hr/>	<hr/>
	1,207,897	687,422
	=====	=====

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

7 Creditors: Amounts due after one year

	30 April 2011 £	30 April 2010 £
Bank loans (secured)		
Bank loans	4,185,000	4,685,000
Due within 1 year	(500,000)	(500,000)
	<u>3,685,000</u>	<u>4,185,000</u>
Due between 1 and 2 years	500,000	500,000
Due between 2 and 5 years	1,686,000	1,686,000
Due after 5 years	1,499,000	1,999,000
	<u>3,685,000</u>	<u>4,185,000</u>

8 Provisions

	Provision for onerous contract £
At 1 May 2010	251,163
Repayments	(40,474)
	<u>210,689</u>
At 30 April 2011	<u>210,689</u>

During 2008 2M Holdings Limited entered into a 5 year interest rate swap of £7,000,000 on bank loans and overdrafts at a fixed rate of 6.19%. The directors consider that this financial contract is onerous. The element of the interest rate swap which is onerous has been recognised in the financial statements in accordance with FRS 12.

9 Share capital

Authorised	£
500,000 ordinary shares of £1 each (2010 - 500,000 ordinary shares of £1 each)	<u>500,000</u>
Issued and fully paid	
260,000 ordinary shares of £1 each (2010 - 260,000 ordinary shares of £1 each)	<u>260,000</u>

2M HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

10 Statement of movement on reserves

	Profit and loss Account
	£
Retained profit at 1 May 2010	1,085,887
Retained profit for the year	396,566
Dividends paid	(140,000)
	<hr/>
At 30 April 2011	1,342,453
	<hr/> <hr/>

11 Reconciliation of movement of shareholders funds

	£
Profit for the year	396,566
Dividends	(140,000)
	<hr/>
Net addition to shareholders fund	256,566
Opening shareholders funds	1 345 887
	<hr/>
At 30 April 2011	1,602,453
	<hr/> <hr/>

12 Control

2M Holdings Limited is controlled by M Kessler, a director of the company

13 Guarantees and other financial commitments

- a) The group has issued a debenture and composite guarantee in respect of amounts due to the Bank from 2M Holdings Limited and its subsidiaries
- b) 2M Holdings Limited has issued guarantees to the Samuel Banner Pension Fund Limited as trustee of the Samuel Banner staff pension scheme. The guarantee states that 2M Holdings Limited is obliged to make payments to the Scheme up to a maximum amount of £2,900,000