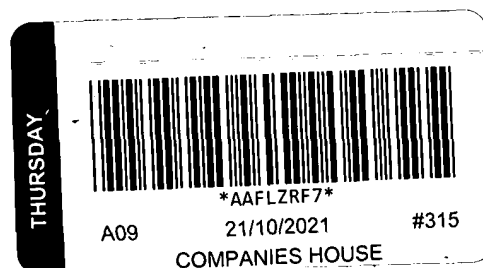


Company Registration No. 07904022

2M GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021



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2M GROUP LIMITED

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	M Kessler MBE C R Boyle R J A Smith D R J Dalton G Maller
Company Secretary	C R Boyle
Registered Office	Quadrant House Floor 6 4 Thomas More Square London E1W 1YW
Business Address	2M House Sutton Quays Business Park Clifton Road Sutton Weaver Runcorn Cheshire WA7 3EH
Company Number	07904022
Auditors	UHY Hacker Young Chartered Accountants Quadrant House 4 Thomas More Square London E1W 1YW
Principal Bankers	Investec Bank plc 30 Gresham Street London EC2V 7QP HSBC Bank plc 4 th Floor City Point 29 King Street Leeds LS1 2HL
Solicitors	DWF LLP 2nd Floor Bridgewater Place Water Lane Leeds LS11 5DY

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and the audited financial statements of the Group and of the Company for the year ended 30 April 2021.

Activities and review of business

The principal activity of 2M Group Limited is to act as a holding company. The principal activities of the Group reflect those of the subsidiary companies and encompass solutions based on product and applications know-how to the personal care, pharmaceutical and home care industries, solvent blending, formulation and distribution of specialty chemicals products to the paint and coatings industry, supply of precision cleaning solutions in the aviation, electronics and medical industries, supply of chlorinated solvents for refinery applications, metal surface treatment and protection, drinking water sterilisation, and an increasing presence in vehicle emission reduction solutions. Additionally, the business provides third party chemical blending and storage facilities, and operates a highly specialised, global chemical samples management service helping its customers to develop business by ensuring product samples arrive safely, quickly and with commercial follow up. The Group exports globally and has physical presence in the UK (10 locations), Benelux, Nordic, Germany (11 locations, including partnering), France, Poland, Brazil and China (2 locations).

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.

Vision & Values

During the year, the Group has continued to develop its Vision, Values and Strategic Goals programme. These set out how our group of companies views its corporate role, its place within the business and wider communities, and how it interacts positively with all stakeholders.

2M strives to be a leader within the Chemical industry by connecting the building blocks of everyday life, for a healthier life today and a better world tomorrow.

The business continues to invest in its key asset – its people. We continue to support colleagues, at all levels within the business, to reach their potential via focussed coaching and training programmes, in addition to the internal goal setting metrics which encourage all colleagues to maximise their potential.

The 2M Academy goes from strength to strength and we are currently developing our third cohort of talented individuals who will be influential in shaping our business in years to come.

Additionally, the business has launched its Women's Development Programme to drive the capabilities of this group within our business and harness the undoubted talents that these individuals bring.

We have aligned our STEM activities with the UN Sustainable Development Goals. With specific focus on gender equality and education for all, our STEM activities have seen us partner with the Centre for Industry Education Collaboration, specifically providing equipment and personnel resource to deliver virtual lessons to primary schools within our communities.

We actively encourage the values of Trust & Respect, Equality, Innovation and Accountability, and expect our colleagues to display these qualities in all interactions, both within and outside the business.

The business recognises the commitment of its colleagues and reciprocates via supportive physical and mental well-being programmes.

The business keeps colleagues informed on company performance via a series of quarterly briefings.

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

We continue to make strategic appointments as required by business opportunities.

Further and updated information is available via our website: www.2m-holdings.com

Principal risks and uncertainties

As an international business, the Group continues to be exposed to general economic and political risks

The global macroeconomic climate remains challenging. This year has seen the full impacts of the global Covid-19 pandemic, the end of the Transition Period, whereby the UK officially exited the EU on 31 December 2020, and unprecedented turmoil in global markets – not only price volatility in chemicals, but with supply-chain infrastructure coming under enormous pressure for a raft of reasons.

Volatility in raw material prices continues – driven by plant outages / declarations of force majeure from a number of leading manufacturers, and by the availability of suitable supply chain resource required to bring these products to market. These fluctuations offer both opportunities and challenges.

The Group's position at the end of the year

The Group saw an improvement in its Cash position. The overall movement in Cash & Cash Equivalents was £4,329k (2020: £8,180k) leaving us with a closing Cash & Cash Equivalents position of £3,573k.

Cash Generation from Operations was strong at £12,160k (2020: £11,208k), supported by positive trading and control of Working Capital lines.

This should be considered against the aggressive debt amortisation profile and the willingness of the business to continue to grow through acquisition. The ongoing support of the Company's funding partner, Investec Bank plc, with whom we share an open dialogue, is recognised and welcomed.

The transfer of net profits to Retained Earnings, saw our Net Assets increase to £42,779k (2020: £33,252k).

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, and to deliver continued growth.

Financial Key Performance Indicators

During the year, we reported an increase in turnover to £129,802k (2020: £118,010k). This reflects the strength and agility of the business not only to meet, but to exceed expectations during significantly challenging trading conditions.

Gross Profit, a key performance indicator within our business, is reported at £45,896k (2020: £41,160k) – an increase of 11.5%. Our Gross Margin percentage has increased 35.4% (2020: 34.9%) reflecting our pursuit of value-added opportunities. This represents a tremendous performance under the circumstances of the last twelve months, and it is a tribute to the dedication and professionalism of all our colleagues.

Distribution Costs, reflecting the increased efficiencies within the business, have reduced by 3.1% to £9,522k (2020: £9,822k).

Administrative Expenses have risen as we support our colleagues in these challenging times, and as we develop our facilities in line with industry best practice.

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

The overall impact of the above has seen an increase in Operating Profit of 50% to £7,739k (2020: £5,154k), and has seen our Operating Profit percentage rise to 6.0% (2020: 4.4%).

During the year, Covid-19 has seriously impacted the global and UK economies. The business has been able to rise to this challenge by use of its formulation know-how, by rapidly re-purposing its manufacturing and filling facilities, and by using its commercial relationships within the personal care industry to provide hand sanitiser product throughout the UK. This was not only limited to commercial endeavours, but included distributions to the NHS, local businesses and schools, and other deserving causes.

The business has maintained its ability to continue to supply by going above and beyond Government Covid-19 guidelines. All operational sites have remained open during the pandemic, and colleagues at these operational locations have been rewarded over and above for their dedication and support, not only of the Company, but the wider community. Rapid deployment of digital technology has meant that much of our commercial and administrative activities have been undertaken by colleagues working from home.

Additionally, the UK exited the EU at the end of the Transition Period on 31 December 2020. This is the single largest change to trading conditions in a generation. The business has increased its resources, through training and recruitment, to meet these additional complexities, and now leads the field within the sector, in transition to the “new normal”.

The Group continues to invest heavily throughout the year in physical assets – a combination of revenue enhancing assets, upgrades to our IT systems, and regulatory driven projects.

The Board considers Operating EBITDA as a key measure of the financial performance of the business. This metric provides a good indication of the Group’s ability to convert profit to cash. The following table highlights the EBITDA position including adjustments related to estimated costs of transactional activity, which are eliminated for the purpose of giving a more accurate reflection of operational performance.

£k	Year Ended 30 April 2021	Year Ended 30 April 2020
Operating EBITDA	9,844	7,125
Adjustments	600	600
Adjusted Operating EBITDA	10,444	7,725
Adjusted Operating EBITDA %	8.0%	6.5%

SECR Reporting

The period covered by this report for Streamlined Energy and Carbon (SECR) reporting is for the financial year ending 30 April 2021.

The baseline year for SECR is 1 May 2019 - 30 April 2020 which was established with reference to the Group’s reporting requirements under the Energy Savings Opportunity System (ESOS).

2M Group Limited has chosen a metric of CO2 emissions per £million of sales as this is considered the most practicable taking into consideration the diversity of our business and varying types of energy used.

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

UK Greenhouse gas emissions and energy use data for the period 1 May 2020 to 30 April 2021	Financial Reporting Year 2020/21	Comparison Financial Year 2019/20
Energy consumption used to calculate emissions (kWh)	3,021,756	4,336,928
Scope 1 emissions in metric tonnes CO ₂ e Transport (fleet vehicles and FLT)	457.35	797.89
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity and gas	193.58	173.95
Scope 3 emissions in metric tonnes CO ₂ e Company cars	19.66	234.28
Total gross emissions in metric tonnes CO ₂ e	670.59	1,206.11
Intensity ratio Tonnes CO ₂ e per total £m in sales revenue	5.53	10.46

The above table highlights the changes to the 2M Group's energy consumption and CO₂ emissions as a result of COVID – 19 lockdowns and restrictions. Operating sites were able to maintain their production and sales of key chemicals and cleaning ingredients to the UK. Due to the group's investment in IT infrastructure, providing the ability for home working, there was a significant decrease in company business travel. The transition to video conferencing, virtual customer meetings and the use of hybrid vehicles is seen as a positive contribution in reducing our carbon footprint.

Energy Efficiency

The 2M Group is a diverse group of companies that outsource most of its transport arrangements. By outsourcing most of our deliveries to customers and utilising major transport providers enables the Group to benefit from access to strategically based transport hubs for consolidation and a reduction in overall delivery miles.

The Group has initiated a project to evaluate the most appropriate locations within its UK storage locations to store its main product volumes. The newly acquired 2M Manufacturing location at Milton Keynes will become a Southern Hub and provide an effective storage location for some product lines for distribution for the Midlands and South of the country. The Pilot phase will commence Q4 - 2021 and establish the robust systems and procedures necessary to prevent any diminution of our high delivery standards. The second phase is scheduled for Q2 2022.

Our Elland site will become a Northern Hub and will primarily store products for delivery to the Midlands and the North of the country. Due to the hazardous properties of some product ranges, such as flammable liquids, storage will be based in the North East of the country for distribution via the nationwide transport hubs.

It is anticipated the strategic re-organisation of our product storage locations will reduce our carbon footprint by 75,000 transport miles per annum.

Stowlin Limited will continue to operate its own fleet of vehicles for distributing products, providing local customers with fast delivery and a bespoke service. This arrangement assists their business in achieving time critical deliveries where the utilisation of a wider transport hub would not be a benefit.

Although COVID-19 quarantine and movement restrictions curtailed business travel, the Group has undertaken a review of its company car policy to incentivise the use of hybrid, or all electric vehicles. The change to hybrid or all electric vehicles in conjunction with the ability to undertake important meetings via video conferencing has significantly reduced business travel mileage.

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

We have appointed an independent energy adviser to review the energy consumption at our operating sites to establish an accurate baseline for monitoring future improvements in energy use and this data will be factored into new targets being established for when the COVID 19 restrictions are no longer in effect.

Targets

Each company location is set reduction targets based on their own energy consumption and may use a monitoring method that best suits their activities. Initiatives followed by group companies has included the installation of LED lighting in warehouses and offices where appropriate. Offices where HVAC provides the primary source of cooling and heating will replace the existing units with a more efficient unit that will use a more environmentally friendly F gas (coolant).

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this Section 172 requires a director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

In discharging our Section 172 duties we have regard to the matters set out above. This has never been more relevant than during the COVID-19 pandemic, where the company and group continues to work hard to keep its employees safe and its business viable. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our stakeholders, pensioners and our relationship with governments, regulators and non-governmental organisations.

The directors regularly meet and talk to the group's prospective, new and existing customers and to its suppliers to ensure that the group provides its customers with the best service and pricing. By considering the company's vision and values together with its strategic priorities and having a process in place for decision making, we do, however, aim to make sure that our decisions are consistent and predictable. As is normal for large companies, we delegate authority for day-to-day management of the company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies.

At every meeting, the Board receives reports on matters including health and safety, security, financial and operational performance, sales and marketing and new business developments. Over the course of the financial year, the Board also reviews other matters including the company's business strategy, key risks, stakeholder-related matters and governance, compliance and legal matters.

The company's key stakeholders include its workforce, customers, suppliers, the local communities in which it operates and regulators. The views of and the impact of the company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the group means that generally our stakeholder engagement best takes place at an operational or group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company.

2M GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

During the period we received information to help us understand the interests and views of the company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of formats including in reports and presentations on our financial and operational performance, non-financial key performance indicators, risk, and corporate responsibility matters. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our Section 172 duty to promote success of the company.

Going Concern & Covid-19

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Subsidiary companies within the Group market a diverse product base across the chemical sector, operate in varied market sectors and from a number of operational bases.

Whilst Covid-19 has negatively impacted some areas of business, the ability to respond to the rise in the requirement for hand sanitiser and related cleaning products and components, and to rapidly convert manufacturing facilities to production of such, the overall impact on the business has been positive.

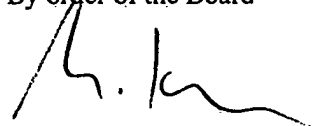
By strict adherence to Covid-19 guidelines, the Company has been able to maintain production at all operational sites throughout lockdown.

By use of latest technologies, all aspects of commercial and administrative requirements have been handled remotely, and only in recent days have we seen any form of return to office working – again strictly managed, and subject to amended guidelines.

Liquidity is crucial to the business during these unprecedented times, and it is something that is monitored on a daily basis. Profitable trading, and judicious use of government support measures (which have been fully closed out) mean that the Company is working well within the limits of its funding facilities.

This situation will continue to be monitored closely.

By order of the Board



M Kessler MBE
Director

5 October 2021

2M GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

Results and dividends

The consolidated results for the year are set out on page 14.

An interim ordinary dividend was paid to shareholders amounting to £750k (2020: £800k). The directors do not recommend the payment of a final dividend.

Directors

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

M Kessler MBE
C R Boyle
R J A Smith
D R J Dalton
G Maller

Use of financial instruments

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.

The Group has a variety of financing arrangements in place with Investec Bank plc which provide adequate funding support for the pursuit of its day-to-day activities. The Group currently makes no other use of financial instruments.

Research and development

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

Employment policy

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

The Group adheres to a policy of equality in terms of racial, religious, sexual, age, and political grounds, and physical abilities in all its dealings with existing or potential employees.

Auditors

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

2M GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

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.

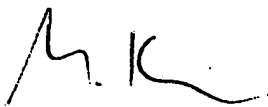
The directors confirm that the financial statements comply with the above requirements.

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 auditors

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 MBE
Director

5 October 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF 2M GROUP LIMITED**

Qualified Opinion

We have audited the group and parent company financial statements of 2M Group Limited for the year ended 30 April 2021 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards, as adopted in the European Union (IFRS). 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), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 30 April 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted in the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Due to the COVID-19 pandemic and subsequent lock down in many cities and countries we were unable to observe the counting of physical inventories for the prior year ended 30 April 2020. The warehouses were restricted to a limited number of the group's staff and no external parties were permitted to attend due to the lockdown. While the group carried out stock take procedures and was confident of the stock quantities on hand at 30 April 2020, we were unable to satisfy ourselves by alternative means concerning the inventory quantities of £11,249,000 held at 30 April 2020 by using other audit procedures. Our audit opinion on the financial statements for the period ended 30 April 2020 was modified accordingly. Consequently we were unable to determine whether there was any consequential effect on the cost of sales for the year ended 30 April 2021. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the current period's cost of sales. We have carried out necessary stock take procedures for the year ended 30 April 2019 as well as the current year and are satisfied with the inventory quantities held at 30 April 2019 and 2021. The qualification is solely due to our inability to attend the stock take for the year ended 30 April 2020 due to the COVID-19 pandemic.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF 2M GROUP LIMITED**

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, due to the Covid-19 restrictions in place in the prior year to 30 April 2020, in the prior year audit we were unable to observe and check the comparative stock quantities of £11,249,000 held at 30 April 2020. In the year to 30 April 2021, there have been no such limitations on our work on stock. There is therefore an inherent resulting risk related to the comparative figures that where other information refers to the stock balance or related balances such as cost of sales, there may be resulting inconsistencies for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements ; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF 2M GROUP LIMITED**

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

In respect solely of the limitation of the scope on our work relating to stock held in the prior year as at 30 April 2020, described above:

- we have not obtained all the information that we considered necessary for the purpose of our audit solely relating to attendance at the physical prior year-end stock counts; and
- we were unable to determine whether adequate accounting records have been kept solely relating to the physical prior year-end stock balance.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF 2M GROUP LIMITED**

Based on our understanding of the group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment and health and safety regulation, anti-bribery, corruption and fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and carried out appropriate audit procedures which found no such evidence of management override or fraudulent manipulation.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with legal advisors, enquiries of management and in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with part 3 of Chapter 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.



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

Chartered Accountants
Statutory Auditor

5 October 2021

Quadrant House
4 Thomas More Square
London E1W 1YW

2M GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	129,802	118,010
Cost of sales		(83,906)	(76,850)
Gross profit		45,896	41,160
Distribution costs		(9,522)	(9,822)
Administrative expenses		(28,635)	(26,184)
Operating profit	4	7,739	5,154
Finance costs	5	(1,033)	(1,250)
Finance income	6	18	2
Gain on bargain purchase	24	973	-
Profit before taxation		7,697	3,906
Taxation	7	(1,051)	(516)
Profit for the year		6,646	3,390
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit scheme	19	4,544	(2,273)
Currency translation differences		63	(111)
Tax on comprehensive income		(990)	324
Other comprehensive income for the year net of tax		3,617	(2,060)
Total comprehensive income for the year		10,263	1,330

2M GROUP LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE YEAR ENDED 30 APRIL 2021**

	2021 £'000	2020 £'000
Profit attributable to:		
Equity holders of the parent company	6,439	3,521
Non-controlling interests	207	(131)
	<u>6,646</u>	<u>3,390</u>
Total comprehensive income attributable to:		
Equity holders of the parent company	10,029	1,159
Non-controlling interests	234	171
	<u>10,263</u>	<u>1,330</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

2M GROUP LIMITED

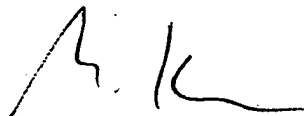
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021**

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets	10	35,098	35,135
Property, plant and equipment	11	11,804	9,013
Right of use assets	12	2,508	2,523
Deferred tax asset	18	743	275
Total non-current assets		50,153	46,946
Current assets			
Inventories	13	11,808	11,249
Trade and other receivables	14	24,579	21,786
Prepayments and accrued income		1,557	1,680
Cash and cash equivalents	25	11,262	8,736
Total current assets		49,206	43,451
Total Assets		99,359	90,397
Liabilities			
Current liabilities			
Bank borrowings and overdrafts	17	9,825	10,928
Leases liabilities	16	732	718
Trade and other payables	15	31,126	25,152
Provisions for dilapidation costs		200	-
Current tax liabilities		154	287
Total current liabilities		42,037	37,085
Non-current liabilities			
Lease liabilities	16	2,111	2,629
Bank borrowings and overdrafts	17	7,158	8,162
Provisions for liabilities	18	1,556	341
Employee benefit liability	19	3,718	8,928
Total non-current liabilities		14,543	20,060
Total Liabilities		56,580	57,145
Total Net Assets		42,779	33,252

2M GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 APRIL 2021**

	Notes	2021 £'000	2020 £'000
Equity			
Share capital	20	133	133
Share premium	20	165	165
Capital restructuring reserve		14,370	14,370
Options reserves		125	111
Currency translation reserve		(45)	(81)
Retained earnings		27,894	18,651
Equity attributable to equity holders of the parent company		42,642	33,349
Minority interest in equity		137	(97)
		42,779	33,252

The financial statements were approved by the Board of Directors and authorised for issue on 5 October 2021.



M Kessler MBE
Director



C Boyle
Director

Company Registration No. 07904022

2M GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

		2021 £'000	2020 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	23	12,160	11,208
Financial expenses		(888)	(1,073)
Income taxes paid		(1,153)	(848)
Net cash generated by operating activities		10,119	9,287
Cash flows from investing activities			
Payments for property, plant and equipment		(1,732)	(1,506)
Acquisition of subsidiary, net of cash acquired	24	(640)	(790)
Financial income		18	2
Net cash used in investing activities		(2,354)	(2,294)
Cash flows from financing activities			
(Repayments)/receipts of loans (net)		(1,004)	2,750
Repayment of lease liabilities		(1,682)	(763)
Dividends paid to company's shareholders		(750)	(800)
Net cash (used in)/from financing activities		(3,436)	1,187
Net increase in cash and cash equivalents		4,329	8,180
Cash and cash equivalents at the beginning of the financial year		(756)	(8,936)
Cash and cash equivalents at the end of the financial year	25	3,573	(756)

2M GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Share Capital £'000	Share Premium £'000	Restruc- turing Reserve £'000	Options Reserve £'000	Currency Reserve £'000	Retained Earnings £'000	Total £'000	Non- Controlling Interests £'000	Total Equity £'000
Balance at 1 May 2019	133	165	14,370	96	(9)	18,265	33,020	(428)	32,592
Total comprehensive income for the year	-	-	-	15	(116)	1,260	1,159	171	1,330
Dividend paid	-	-	-	-	-	(800)	(800)	-	(800)
New subsidiary acquired	-	-	-	-	44	(74)	(30)	160	130
At 30 April 2020	133	165	14,370	111	(81)	18,651	33,349	(97)	33,252
Balance at 1 May 2020	133	165	14,370	111	(81)	18,651	33,349	(97)	33,252
Total comprehensive income for the year	-	-	-	-	36	9,993	10,029	234	10,263
Dividend paid	-	-	-	-	-	(750)	(750)	-	(750)
Share-based payments	-	-	-	14	-	-	14	-	14
At 30 April 2021	133	165	14,370	125	(45)	27,894	42,642	137	42,779

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. Accounting policies

2M Group Limited is a company incorporated in England and Wales.

The group financial statements for the year ended 30 April 2021 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 2021. 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 (“IFRSs”) and in accordance with the Companies Act 2006.

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 Going concern and Covid-19

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. Subsidiary companies within the Group market a diverse product base across the chemical sector, operate in varied market sectors and from a number of operational bases.

Whilst Covid-19 has negatively impacted some areas of business, the ability to respond to the rise in the requirement for hand sanitiser and related cleaning products and components, and to rapidly convert manufacturing facilities to production of such, the overall impact on the business has been positive.

By strict adherence to Covid-19 guidelines, the Company has been able to maintain production at all operational sites throughout lockdown. By use of latest technologies, all aspects of commercial and administrative requirements have been handled remotely, and only in recent days have we seen any form of return to office working – again strictly managed, and subject to amended guidelines.

Liquidity is crucial to the business during these unprecedented times, and it is something that is monitored on a daily basis. Profitable trading, and judicious use of government support measures (which have been fully closed out) mean that the Company is working well within the limits of its funding facilities. This situation will continue to be monitored closely. The directors are satisfied that the group and company has adequate resources to continue in operation for at least 12 months from the date of approval of the financial statements and continue to adopt the going concern basis in preparing the financial statements.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1.3 Basis of consolidation

These financial statements consolidate the financial statements of the company and all of its subsidiary undertakings drawn up to 30 April 2021.

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account, regardless of management's intention to exercise that option or warrant. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation. The gain or loss on disposal of a subsidiary company is the difference between net disposals proceeds and the group's share of its net assets together with any goodwill and exchange differences.

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of VAT, returns, rebates and trade discounts allowed by the group. Amounts received for the sublicensing of intangible assets is shown as deferred income, and is released to the statement of comprehensive income over the period of the sublicensing agreement.

The group recognises revenue when a) the significant risks and rewards of ownership have been transferred to the buyer; b) the group retains no continuing involvement or control over the goods; c) the amount of revenue can be measured reliably; d) it is probable that future economic benefits will flow to the entity and e) when any criteria relating to types of sales have been met.

1.5 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. Goodwill arising on the acquisition of other business undertakings represents the excess of the fair value of the consideration given over the fair value 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.

Patents

Patents are valued at cost, less provision for impairment. Amounts received on the sub-licensing of patents is shown as deferred income and is released to profit and loss account over the period of the licencing agreement.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

Licences

Licences are initially measured at cost and subsequently measured at cost or valuation, net of amortisation and any impairment losses. Amortisation is recognised over the remaining term of the licence agreements.

1.6 Investments

Investments are stated at cost less any provision for impairment.

1.7 Property, plant and equipment

Buildings, property, plant and equipment are stated at cost or valuation 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
Plant and equipment	3 – 20 years
Motor vehicles	4 – 5 years

Land is not depreciated.

The carrying values of plant and equipment are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the assets are tested for impairment to estimate the assets' recoverable amounts. Any impairment losses are recognized in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents all expenses incurred in bringing the stock to its present location and condition. Net realisable value is based on estimated selling price less all further costs to completion.

1.9 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.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

The group classifies its financial assets as 'loans and receivables'. The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Receivables are classified as 'trade and other receivables' and loans are classified as 'borrowings' in the statement of financial position.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

Trade receivables are recognised initially at transaction price. At the end of each reporting period financial assets are assessed for objective evidence of impairment or credit losses, such as when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal of the impairment is recognised in profit or loss.

The carrying amounts of the trade receivables include receivables which are subject to an invoice discounting arrangement where relevant receivables are transferred in exchange for cash. However, the group retains late payment and credit risk. The group therefore continues to recognise the transferred assets in its balance sheet and the amount repayable is presented as secured borrowing.

Financial liabilities

The group's financial liabilities include trade and other payables. Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive Income.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts and financing that are repayable on demand are included within borrowings in current liabilities on the balance sheet.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and financing.

1.11 Ordinary share capital

Ordinary shares are classified as equity. Costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

1.12 Dividend policy

In accordance with IAS 10 'Events after the Balance Sheet Date', dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date and are recognised in the financial statements when they have received approval by shareholders. Unpaid dividends that are not approved are disclosed in the notes to the consolidated financial statements.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1.13 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 in 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.

1.14 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.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the year-end date. Income and expenses are translated at average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income or charged directly through equity as applicable.

1.15 Taxation

Tax on the profit or loss for the year 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.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1.15 Taxation (continued)

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.

1.16 Leased assets

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly in the contract or implicitly by being identified at the time the asset is made available to the company, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the group has the right to direct the use of the asset throughout the period of use. The group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the group has the right to direct the use of the asset throughout the period in use if either:
 - the group has the right to operate the asset; or
 - the group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The group recognises a right-of-use asset and a lease liability on the balance sheet at the lease commencement date. The right-of-use asset is initially measured at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the company assess the right-of-use asset for impairment when such indicators exist. It is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

At the commencement date the lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. The company has elected to use the incremental borrowing rate at the date of transition as the interest rate implicit in the leases could not be readily determined.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments based on an index or a rate, initially measure using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.17 New and revised International Financial Reporting Standards and interpretations

At the date of authorisation of these financial statements, the following IFRS Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 3 (Amended)
IAS 1 (Amended)
IFRS 17 (Revised)

Business combinations
Presentation of Financial Statements
Insurance Contracts

It is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed. However, we expect that the standards will not have a material effect on the financial statements.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1.18 Share based payments

The company made share-based payments to certain employees by way of issue of share options. The fair value of these payments is calculated by the company using the Black-Scholes Option Pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the company's best estimate of the shares that will eventually vest.

The cash-settled scheme allows certain senior employees the right to participate in the growth of 2M Group Limited, in return for services rendered, through the payment of cash incentives which are based on the growth of EBITDA. The rights vest after five years with a liability recognised at fair value, at each reporting date, in the statement of financial position until the date of settlement.

1.19 Changes in accounting policies

The group has consistently applied the accounting policies to all periods presented in these financial statements.

2. 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.

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 1.5 above and goodwill in note 10 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.

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

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

c) 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 19. Any changes in these assumptions will impact on 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.

d) Discount rate used in lease liability calculation

Calculation of the appropriate discount rate in relation to the calculation of the present value of the minimum lease payments involves a certain amount of judgement. The group's policy is to use the incremental borrowing rate, which takes into account the geographic area in which the group operates, the lease term, and the rate of interest for a similar loan term.

3. 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's operations, assets and staff are principally located in the United Kingdom. The Directors have concluded that the operations and assets located outside of the United Kingdom do not meet the quantitative thresholds as set out in IFRS 8 and therefore no segmental analysis of assets or profits is presented on a geographical basis. The group generates sales to customers across the world and the geographical analysis of revenue is set out below based on customer location.

Revenue		
Geographical location	2021 £'000	2020 £'000
United Kingdom and Eire	94,308	88,899
Europe	26,949	19,839
Americas	1,747	1,748
Australasia	40	24
Africa	1,755	915
Middle East	502	525
Asia	4,155	5,436
Other	346	624
	<u>129,802</u>	<u>118,010</u>

Revenues from the top 20 customers of the group's Storage, Blending and Distribution of Chemical Products segment represent approximately 31% (2020: 29%) of the group's total revenues.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Operating profit

	2021 £'000	2020 £'000
The operating profit for the year is stated after charging/(crediting):		
Depreciation on property, plant and equipment (note 11)	1,198	1,259
Depreciation on right of use assets (note 12)	870	692
Amortisation of intangibles (note 10)	37	20
Government grant income	(12)	-
Profit on disposal of tangible fixed assets	(3)	-
Profit on foreign currency	(4)	(11)
Auditors' remuneration (see below)	120	120
	<u> </u>	<u> </u>
Audit services		
Fees payable to the company's auditors for the audit of the parent company and consolidated accounts	20	20
Fees payable to the company's auditors for the audit of the company's subsidiaries	100	100
	<u> </u>	<u> </u>
Other services		
Company secretarial services	3	-
Other services relating to taxation	35	17
Other advisory services	28	24
	<u> </u>	<u> </u>

5. Finance costs

	2021 £'000	2020 £'000
Bank interest expense	735	886
Other interest	-	28
Lease liability interest	153	158
Interest on pension scheme liabilities	145	178
	<u> </u>	<u> </u>
	1,033	1,250
	<u> </u>	<u> </u>

6. Finance income

	2021 £'000	2020 £'000
Bank interest income	18	2
	<u> </u>	<u> </u>

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

7. Taxation

	2021 £'000	2020 £'000
UK corporation tax on profits for the year at 19% (2020: 19%)	855	501
Adjustments in respect of prior periods	(50)	(136)
Foreign tax charge	215	33
	<hr/>	<hr/>
	1,020	398
Deferred tax charge: origination and reversal of temporary timing differences (note 18)	31	118
	<hr/>	<hr/>
Total tax expense in the income statement	<u>1,051</u>	<u>516</u>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before tax	<u>7,697</u>	<u>3,906</u>
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2020: 19%)	<u>1,462</u>	<u>742</u>
<i>Effects of:</i>		
Non-deductible expenses	11	69
Depreciation on non-qualifying assets	19	2
Tax rate differences	(131)	(12)
Prior year adjustments	(50)	(136)
Non-taxable income	(185)	-
Other deferred tax movements	(75)	(149)
	<hr/>	<hr/>
	(411)	(226)
	<hr/>	<hr/>
Total tax charge	<u>1,051</u>	<u>516</u>

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

8. Staff numbers and costs

	2021 Number	2020 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	342	320
Staff costs including directors:	2021 £'000	2020 £'000
Wages and salaries	14,616	11,128
Social security costs	1,504	1,332
<i>Other pension costs:</i>		
Contributions to defined contribution schemes	474	426
Contributions to defined benefit schemes	852	781
	17,446	13,667

9. Directors' emoluments

	2021 £'000	2020 £'000
<i>Emoluments for qualifying services:</i>		
Aggregate directors' emoluments	770	772
Pension contributions	34	93
	804	865

Directors' remuneration is paid through subsidiary companies within the group. The number of directors for whom retirement benefits were accruing under defined contribution schemes in the year was 5 (2020: 5).

Included in administrative expenses is £88,601 (2020: £nil) of share based payments to the directors.

Remuneration disclosed above include the following amounts paid to the highest paid director

	2021 £'000	2020 £'000
<i>Emoluments for qualifying services:</i>		
Aggregate directors' emoluments	272	143
Pension contributions	24	16

Included in administrative expenses is £22,150 (2020: £nil) of share based payments to the highest paid director.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

10. Intangible non-current assets

Group	Licences and Patents £'000	Goodwill £'000	Total £'000
At 1 May 2019	60	34,594	34,654
Additions in the year	22	479	501
Amortisation in year	(20)	-	(20)
At 30 April 2020	62	35,073	35,135
Additions in the year	-	-	-
Amortisation in year	(37)	-	(37)
At 30 April 2021	25	35,073	35,098

Goodwill represents the goodwill arising on various acquisitions. On the acquisition of Ingredtech SAS on 20 December 2019, goodwill of £479,647 was recognised.

On acquisition of 2M Manufacturing Limited on 28 August 2020, given the fair values of net assets exceeded the amount of total consideration, the balance has been recognised as a gain on bargain purchase of £973k in the consolidated statement of comprehensive income in the year.

In accordance with IFRS 3 – 'Business Combinations', goodwill is not amortised but rather tested for impairment on an annual basis.

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 7.4%

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 for the value of goodwill during the year.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

11. Property, plant and equipment

	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 May 2019	4,298	17,411	504	22,213
Acquired with subsidiary	-	10	-	10
Additions	13	1,494	-	1,507
Disposals	-	(324)	-	(324)
At 30 April 2020	4,311	18,591	504	23,406
Acquired with subsidiary	3,947	3,756	-	7,703
Additions	36	2,019	-	2,055
Disposals	(55)	(1,302)	(40)	(1,397)
At 30 April 2021	8,239	23,064	464	31,767
Depreciation				
At 1 May 2019	1,257	11,849	334	13,440
Acquired with subsidiary	-	5	-	5
Charge for the year	51	1,191	17	1,259
Eliminated on disposals	-	(311)	-	(311)
At 30 April 2020	1,308	12,734	351	14,393
Acquired with subsidiary	2,605	3,156	-	5,761
Charge for the year	105	1,077	16	1,198
Eliminated on disposals	(55)	(1,302)	(32)	(1,389)
At 30 April 2021	3,963	15,665	335	19,963
Net book value				
At 30 April 2021	4,276	7,399	129	11,804
At 30 April 2020	3,003	5,857	153	9,013

Freehold land and buildings include non-depreciable land with a value of £1,338k (2020: £1,338k).

The directors have reviewed freehold land and buildings at 30 April 2021 for any indicators of impairment in their carrying value. The directors concluded that no impairment existed and that the carrying value of freehold land and buildings is approximate to the assets fair value.

2M GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

12. Right of use assets

	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
On adoption of IFRS 16 at 1 May 2019	2,068	961	740	3,769
Lease additions	-	206	113	319
Lease disposals	(65)	-	(175)	(240)
At 30 April 2020	2,003	1,167	678	3,848
Lease additions	36	77	742	855
Lease disposals	(36)	-	(265)	(301)
At 30 April 2021	2,003	1,244	1,155	4,402
Depreciation				
On adoption of IFRS 16 at 1 May 2019	191	303	364	857
Lease disposals	(65)	-	(159)	(224)
Charge for the year	280	189	223	692
At 30 April 2020	406	492	428	1,325
Lease disposals	(36)	-	(265)	(301)
Charge for the year	301	223	346	870
At 30 April 2021	671	715	509	1,894
Net book value				
At 30 April 2021	1,332	529	646	2,508
At 30 April 2020	1,597	675	250	2,523

13. Inventories

	2021 £'000	2020 £'000
Goods for resale	11,808	11,249

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

14. Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables	23,308	21,461
Other receivables	1,271	325
	<u>24,579</u>	<u>21,786</u>

15. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	16,721	15,850
Taxation and social security	2,271	2,626
Other payables	2,359	1,277
Accruals and deferred income	9,775	5,399
	<u>31,126</u>	<u>25,152</u>

16. Lease liabilities

	2021 £'000	2020 £'000
Lease liabilities – due within one year	732	718
Lease liabilities – due more than one year	2,111	2,629
	<u>2,843</u>	<u>3,347</u>

The company has leases for their various warehouses and offices throughout the UK. They also have some plant and machinery in use at these warehouses and some IT equipment and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The company classified its right-of use assets in a consistent manner to its property, plant and equipment (see note 12).

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

Lease terms of vehicles and IT equipment are generally in the region of 3-5 years. Leases of property generally have a lease term ranging between 3-10 years. Lease payments are generally fixed with no variable element. The table below describes the nature of the company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of- use assets leased	Remaining lease term	Average remaining lease term
Office building	2	6-7 years	7 years
Warehouse and facilities	2	2-6 years	4 years
Vehicles	32	1-4 years	2 years
Plant and machinery	17	1-4 years	3 years

Lease payments not recognised as a liability

The company has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The company has entered into commercial leases for plant and machinery, which meet the definition of short term or low value as noted above.

Additional cash flow information:

	2021 £'000	2020 £'000
Cash outflow in respect of leases in year	(827)	(763)

17. Financial instruments and financial risk management

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

	2021 £'000	2020 £'000
Current liabilities:		
Bank facilities, loans and overdrafts (secured)	9,825	10,928
Lease liabilities	732	718
	<u>10,557</u>	<u>11,646</u>
Non-current:		
Bank facilities and loans (secured)	7,158	8,162
Lease liabilities	2,111	2,629
	<u>9,269</u>	<u>10,791</u>
Total borrowings	<u>19,826</u>	<u>22,437</u>

Included within the current liabilities bank facilities, loans and overdrafts (secured) figure are overdraft amounts totalling £61k (2020: £25k).

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

	2021 £'000	2020 £'000
Bank borrowings are repayable as follows:		
On demand or within one year	9,825	10,928
Between one and two years	5,782	1,000
Between two and five years	1,376	7,162
	<hr/>	<hr/>
	16,983	19,090
Less: Amount due within 12 months (shown under current liabilities)	(9,825)	(10,928)
	<hr/>	<hr/>
	7,158	8,162
	<hr/>	<hr/>

The bank facilities, loans and overdrafts are secured by a legal charge over the assets of the group, a charge over its debts and inventories, and by a composite debenture and guarantee. All of the group's funding is subject to a group guarantee (note 26).

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	- Finance leases
Financial liabilities measured at amortised cost	- Overdrafts and loans

The fair values of all financial assets and liabilities 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 or entity. The group seeks to restrict these levels of exposure further by covering such sales with commercially available credit insurance, through recognised underwriters.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

iii) Liquidity risk

The banking arrangements with Investec Bank plc, 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

Group finance facilities are placed with Investec Bank plc which provided additional working capital through invoice financing, inventory financing and cash flow loan facilities. Interest rates on these facilities vary between 3.15% and 4.15% over LIBOR.

Finance leases are placed through Iveco Stralis for the purpose of acquiring commercial vehicles. Interest allocated to future financial periods is calculated at effective rates between 4.61% and 5.11% per annum.

The group has no financial assets, other than short term receivables and cash at bank. Short term overdrafts are held at a floating rate of interest based on LIBOR.

18. Deferred tax assets and liabilities

	Employee benefits £'000	Excess capital allowances £'000	Other timing differences £'000	Total £'000
As at 1 May 2020	(1,580)	520	785	(275)
Charge to income statement	-	(83)	114	31
Charge to other comprehensive income	990	-	-	990
Other movements	(153)	-	220	67
As at 30 April 2021	(743)	437	1,119	813
Deferred tax asset	(743)	-	-	(743)
Deferred tax liability	-	437	1,199	1,556
As at 30 April 2021	(743)	437	1,199	813

Deferred tax is provided for at the future tax rate applying at the reporting date. At 30 April 2021 the future tax rate applying was 19%.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Pension liability

Defined Contribution Scheme

The group operates a Defined Contribution Pension Scheme. During the year ended 30 April 2021 the pension cost charge to the income statement amounted to £474k (2020: £426k). 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.

A full actuarial valuation was carried out as at 31 March 2020 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the plan is agreed between the employer and the trustees in line with those requirements. These in particular require the surplus or deficit to be calculated using prudent, as opposed to best estimate actuarial assumptions.

This actuarial valuation showed a deficit of £11,540k. The company has agreed with the trustees of the scheme that the company will aim to eliminate the deficit over a period of 11 years and 8 months from 31 March 2021 by the payment of annual contributions of £876k increasing at 3% per annum. In addition and in accordance with the actuarial valuation, the company has agreed with the trustees of the scheme that it will meet expenses of the plan and levies to the Pension Protection Fund.

The actuarial valuation as at 31 March 2020, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 30 April 2021. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

Contributions in the year totalled £852k (2020: £781k).

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

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Pension liability (continued)

The main financial assumptions used at the year-end date to calculate scheme liabilities under IAS 19 are:

	2021 %	2020 %
Discount rate	2.0	1.7
Inflation rate	3.2	2.5
Expected rate of increase of pensions in payment	3.2	2.5
Expected overall rate of return on plan assets	2.0	1.7

The expected rate of return on plan assets was determined, based on the discount rate for the year ended 30 April 2021, in line with IAS 19.

Mortality assumptions

The mortality assumptions adopted at 30 April 2021 are 104% of the standard tables S3PMA / S3PFA_M, Year of Birth, no age rating for males and females, projected using CMI_2020 converging to 1.00% p.a. These assume the following life expectancies on retirement at age 65:

	2021 Years	2020 Years
Retiring today		
- Males	21.6	21.6
- Females	23.4	23.5
Retiring in 20 years		
- Males	22.6	22.6
- Females	24.6	24.7

Analysis of amounts charged to the statement of comprehensive income

	2021 £'000	2020 £'000
Analysis of amount reported in financial income and expense		
Expenses	(41)	(35)
Expected return on pension scheme assets	198	297
Interest cost	(343)	(475)
Net cost	(186)	(213)

Analysis of amount recognised under other comprehensive income

Return on plan assets excluding interest income	2,390	(185)
Experience losses arising on the defined benefit obligation	1,390	(183)
Effects of changes in demographic assumptions	247	318
Effects of changes in financial assumptions	517	(2,223)
Net actuarial gains/(losses) recognised under other comprehensive income	4,544	(2,273)

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Pension scheme (continued)

	2021 £'000	2020 £'000
<i>Reconciliation of change in assets and liabilities</i>		
Change in defined benefit obligation:		
Defined benefit obligation brought forward	20,515	18,591
<i>Movement in the year:</i>		
Expenses	41	35
Interest cost	343	475
Experience gains/losses arising on the defined benefit obligation	(1,390)	183
Effects of changes in demographic assumptions	(247)	(318)
Effects of changes in financial assumptions	(517)	2,223
Actual benefits paid	(702)	(674)
	<u>18,043</u>	<u>20,515</u>
Defined benefit obligation at end of year		
	2021 £'000	2020 £'000
Change in plan assets:		
Fair value of plan assets brought forward	11,587	11,368
<i>Movement in year:</i>		
Interest income	198	297
Return on plan assets	2,390	(185)
Actual employer contributions	852	781
Actual benefits paid	(702)	(674)
	<u>14,325</u>	<u>11,587</u>
Fair value of plan assets at end of year		
Funded status – Financial position		
Net pension liability	<u>(3,718)</u>	<u>(8,928)</u>

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Pension scheme (continued)

The assets in the pension scheme return were:

	Value at 30 April 2021 £'000	Value at 30 April 2020 £'000
UK equities	-	1,711
Overseas equities	-	5,332
Corporate Bonds	-	4,487
Cash	68	57
Equity linked LDI Funds	9,600	-
European Loan Funds	2,075	-
Credit Funds	1,058	-
Absolute Return Bond Funds	1,524	-
	<hr/>	<hr/>
Total market value of scheme assets	14,325	11,587
Present value of the scheme's liabilities (provided by the actuary)	(18,043)	(20,515)
	<hr/>	<hr/>
Net pension liability (funded)	<u>(3,718)</u>	<u>(8,928)</u>

The history of experience adjustments is as follows:

	Value at 30 April 2021 £'000	Value at 30 April 2020 £'000
Experience gains / (losses) on scheme liabilities*		
Amount (£)	1,390	(183)
Percentage of the present value of scheme liabilities	7.7%	0.9%

* These figures exclude the effect of the change in the valuation assumptions from one year to the next.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

20. Share capital and share premium

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary A shares	130,000	130	-	130
Ordinary B shares	1,490	2	165	167
Ordinary C shares	130,000	1	-	1
At 30 April 2020 and 30 April 2021	261,490	133	165	298

Ordinary A shareholders are entitled to vote at meetings of the company and each share in issue carries one vote. The shares have rights to dividends and capital to participate in any distribution pro-rata with the Ordinary B shares. Ordinary A shares are not redeemable.

Ordinary B shares rank pari passu in all respects with Ordinary A shares save that they carry no entitlement to vote at meetings of the company. The shares have rights to dividends and capital to participate in any distribution pro-rata with the Ordinary A shares. Ordinary B shares are not redeemable.

Ordinary C shares carry no entitlement to vote at meetings of the company, are not entitled to participate in dividend distributions, have only limited rights to participate in a distribution as respects to capital and are not redeemable.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

21. Cost of issuing share options

Included within administration expenses is a charge of £15k (2020: £15k) for share options. The share based payment charge represents the current year's allocation of the expense for relevant share options issued in 2012. The company has granted share options under an Unapproved Share Option Plan (the 'Unapproved Plan').

Under the Unapproved Plan, options are granted to employees and directors to acquire Ordinary B shares at a price of £111.54 per share. In general, options vest after ten years and are exercisable if the group is sold or becomes listed on a recognised stock exchange.

The Company granted 2,600 share options under the Unapproved Plan during a prior period with total fair values estimated using the Black-Scholes option-pricing model of £288k. A discount rate of 50% has been applied to reflect the medium term possibility of the exercisable events occurring resulting in a cost of £144k being amortised over ten years.

The following assumptions were used for the Black-Scholes valuation of share options granted in the prior period:

	Unapproved plan Issued 2012 Employees
Options granted	2,600
Risk-free interest rate	0.5%
Expected life of the options	10 years
Annualised volatility	23.39%

The options outstanding at 30 April 2021 have an exercise price of £111.54 per share and a weighted average remaining contractual life of 2.42 years.

22. Cash-settled share-based payment provision

During the year, the following share-based payment expenses were recognised in the consolidated statement of comprehensive income. The cash-settled scheme allows certain senior employees the right to participate in the growth of 2M Group Limited, in return for services rendered, through the payment of cash incentives which are based on the growth of EBITDA. The rights vest after five years with a liability recognised at fair value, at each reporting date, in the statement of financial position until the date of settlement.

	2021 £'000	2020 £'000
Share-based payment expense recognised	166	-

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

23. Cash generated from operations	2021 £'000	2020 £'000
Profit before taxation	7,697	3,906
<i>Add back non-operating items:</i>		
Financial income	(18)	(2)
Financial expense	1,033	1,250
Gain on bargain purchase	(973)	-
<i>Adjustments for:</i>		
Pension movement	(299)	(374)
Depreciation of property, plant & equipment	1,198	1,259
Depreciation of right-of-use assets	870	692
Amortisation of intangible assets	37	20
(Increase)/decrease in inventories	(559)	2,333
(Increase)/decrease in receivables	(1,717)	1,849
Increase in payables	4,891	275
Cash generated from operations	<u>12,160</u>	<u>11,208</u>

24. Business combinations

On 28 August 2020, Surfachem Group Limited, an indirect subsidiary of the company, acquired the entire share capital of Evonik Goldschmidt UK Limited, from Evonik UK Holdings Limited, a member of Evonik Industries AG.

The site and facilities, based in Milton Keynes, is the first bespoke chemical manufacturing facility within the 2M Group, and as such represents a significant milestone in the group's growth and development.

The company was renamed 2M Manufacturing Limited and retained all existing employees and assets.

The acquisition was settled in cash of £4,156k on completion and deferred consideration of £1,038k and the negative goodwill arising on acquisition was £973k which has been shown as income during the year. Acquisition costs of £412k have been recognised in the income statement relating to this acquisition.

The acquisition of Evonik Goldschmidt UK Limited contributed £353k losses to the group's results for the year acquired.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

24. Business combinations (continued)

Reconciliation of amounts paid in business combinations, net of cash:

	2021 £'000	2020 £'000
Amounts paid in year for acquisitions:		
2M Manufacturing	4,156	-
Ingrectech SAS	-	1,007
	<hr/>	<hr/>
Total cash paid	4,156	1,007
Cash and cash equivalents acquired with subsidiaries	(3,516)	(217)
	<hr/>	<hr/>
	640	790
	<hr/>	<hr/>

25. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	11,262	8,736
Bank overdrafts / short term finance	(7,689)	(9,492)
	<hr/>	<hr/>
Cash and cash equivalents in the cash flow statement	3,573	(756)
	<hr/>	<hr/>

26. Guarantees and other financial commitments

- a) At 30 April 2021 the group had no capital commitments.
- b) The group has granted a composite guarantee and debenture to Investec Bank plc in respect of amounts due to the bank by 2M Group Limited and its subsidiaries.
- c) A subsidiary company, 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 £4,500k.

2M GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

27. Control

The director, M Kessler MBE, retains ultimate control of the group.

28. Related party transactions

Trade and other payables include an amount of £545k (2020: £390k) due to Metachem Industrial Comercial Ltda. Metachem Industrial Comercial Ltda is the non-controlling interest holder in the subsidiary company Surfachem Brasil Ltda. The loan is interest free, unsecured and has no fixed repayment terms.

29. Subsequent events

There are no material subsequent events since the year end.

Company Registration No. 07904022

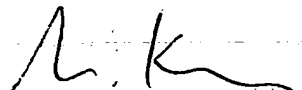
2M GROUP LIMITED
COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021


2M GROUP LIMITED

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021**

	Notes	30 April 2021 £'000	30 April 2020 £'000
Fixed assets			
Investments	4	29,267	29,267
Current assets			
Debtors	6	13	13
Cash at bank and in hand		13	13
		<u>26</u>	<u>26</u>
Creditors: amounts falling due within one year	7	<u>(10,046)</u>	<u>(9,311)</u>
Net current liabilities		<u>(10,020)</u>	<u>(9,285)</u>
Total assets less current liabilities		<u>19,247</u>	<u>19,982</u>
Net Assets		<u><u>19,247</u></u>	<u><u>19,982</u></u>
Capital and reserves			
Share capital	8	133	133
Share premium	8	165	165
Option reserve		125	110
Merger reserve		14,370	14,370
Retained earnings		4,454	5,204
Shareholders' funds - equity		<u><u>19,247</u></u>	<u><u>19,982</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 October 2021.


M Kessler MBE
Director


C Boyle
Director

Company Registration No. 07904022

2M GROUP LIMITED**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2021**

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	12	750	801
		<hr/>	<hr/>
Net cash generated by operating activities		750	801
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of loans and other obligations		-	-
Dividends paid to company's shareholders		(750)	(800)
		<hr/>	<hr/>
Net cash used in financing activities		(750)	(800)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		-	1
Cash and cash equivalents at the beginning of the financial year		13	12
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	13	13	13
		<hr/> <hr/>	<hr/> <hr/>

2M GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Share Capital	Share Premium	Merger Reserve	Options Reserve	Retained earnings	Total Equity Interests
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2019	133	164	14,370	96	6,004	20,767
Share based payments	-	-	-	15	-	15
Total comprehensive loss for the year	-	-	-	-	-	-
Dividend paid	-	-	-	-	(800)	(800)
At 30 April 2020	133	164	14,370	111	5,204	19,982
Share based payments	-	-	-	15	-	15
Total comprehensive loss for the year	-	-	-	-	-	-
Dividend paid	-	-	-	-	(750)	(750)
At 30 April 2021	133	164	14,370	126	4,454	19,247

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. Accounting policies

2M Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

These separate financial statements of the company are presented as required by the Companies Act 2006. The significant accounting policies applied in preparing the financial statements are set out below.

1.1 Accounting convention

The company financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The company financial statements are prepared in sterling, which is the financial currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The company financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Profit attributable to the members of the parent company

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £36 (2020: £29).

Related Parties

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertakings of the group.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst Covid-19 has negatively impacted some areas of the group's business, the ability to respond to the rise in the requirement for hand sanitiser and related cleaning products and components, and to rapidly convert manufacturing facilities to production of such, the overall impact on the business has been positive. By strict adherence to Covid-19 guidelines, the group has been able to maintain production at all operational sites throughout lockdown.

By use of latest technologies, all aspects of commercial and administrative requirements have been handled remotely, and only in recent days have we seen any form of return to office working – again strictly managed, and subject to amended guidelines.

Liquidity is crucial to the business during these unprecedented times, and it is something that is monitored on a daily basis. Profitable trading, and judicious use of government support measures, mean that the Company is working well within the limits of its funding facilities.

This situation will continue to be monitored closely.

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. Accounting policies (continued)

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment review

At each reporting period end date, the company reviews the carrying amounts of its fixed asset investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. Accounting policies (continued)

1.5 Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. Accounting policies (continued)

1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred taxation 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.

1.9 Share based payment transactions

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the subsidiary company in which the employee is remunerated.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Taxation

	2021 £'000	2020 £'000
UK corporation tax		
Current year tax credit	-	-
	<u>-</u>	<u>-</u>
Tax credit on profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year:		
Loss on ordinary activities before taxation	-	-
	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporate tax of 19% (2020: 19%)	-	-
	<u>-</u>	<u>-</u>
Effects of:		
Non-deductible items	-	-
Tax losses	-	-
	<u>-</u>	<u>-</u>
Current tax charge	-	-
	<u>-</u>	<u>-</u>

3. Dividends

	2021 £'000	2020 £'000
Interim dividends paid	750	800
	<u>750</u>	<u>800</u>

4. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 30 April 2020 and 30 April 2021	29,267
	<u>29,267</u>

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Fixed asset investments (continued)

The group's principal subsidiary undertakings (incorporated in England and Wales unless otherwise stated below) at 30 April 2021 were as follows:

Subsidiary undertakings	Activities	Ownership (ordinary shares & voting rights)
Held directly:		
2M Holdings Limited	Holding company	100%
Held indirectly:		
Banner Chemicals Holdings Limited	Holding company	100%
Surfachem Holdings Limited	Holding company	100%
Packed Chlorine Limited	Distribution of chemical industry products	100%
CE-O2 Trockeneis GmbH	Distribution of chemical industry products	100%
Surfachem Deutschland GmbH	Distribution of chemical industry products	100%
2M Deutschland GmbH	Distribution of chemical industry products	100%
Banner Chemicals Limited	Holding company	100%
Samuel Banner & Co Limited	Formulation and distribution of solvents and performance cleaning product	100%
Prism Chemicals Limited	Blending and formulation of solvent and chemical products	100%
M P Storage and Blending Limited	Storage, drumming and blending of solvents and chemical products	100%
Banner Chemicals Benelux NV	Distribution of chemical industry products	100%
Stowlin Limited	Manufacture and distribution of chemicals	100%
Samuel Banner Property Co Limited	Property holding company	100%
Surfachem Group Limited	Holding Company	100%
Surfachem Limited	Distribution of chemical industry products	100%
FilRite Limited	Decanting and packaging of chemicals	100%
Samplerite Limited	Distribution of chemical industry samples	100%
Samplerite Qingdao Limited	Distribution of chemical industry samples	100%
Surfachem Nordic AS	Distribution of chemical industry products	67%
Surfachem Brasil Ltda	Distribution of chemical industry products	65%
Ingretech SAS	Distribution of chemical industry products	70%
2M Manufacturing Limited	Manufacture and distribution of chemicals	100%

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Fixed asset investments (continued)

The group's dormant subsidiary undertakings (incorporated in England and Wales unless otherwise stated below) at 30 April 2021 were as follows:

Subsidiary undertakings	Activities	Ownership (ordinary shares & voting rights) 2021
Held indirectly:		
2M London Limited	Dormant	100%
SB Dormantco One Limited	Dormant	100%
SB Dormantco Three Limited	Dormant	100%
Samuel Banner Polymers Limited	Dormant	100%
K M Z Chemicals Limited	Dormant	100%
Integrated Chemicals Specialties Limited	Dormant	100%
Croftshaw (Solvents) Limited	Dormant	100%
Stowlin Croftshaw Limited	Dormant	100%
Stowlin Specialised Chemicals Limited	Dormant	100%
Gel-Chem Limited	Dormant	100%
Netscore Limited	Dormant	100%
Specialty Food Ingredients Limited	Dormant	100%
Surfachem International Limited	Dormant	100%
Worsall Limited	Dormant	100%

The subsidiary company, Banner Chemicals Benelux NV is incorporated in Belgium.

The subsidiary company Samplerite Qingdao Limited is incorporated in the People's Republic of China and has a reporting date of 31 December. The subsidiary prepares separate accounts for inclusion in the group consolidated financial statements which have been reviewed and agreed by the directors who do not consider that they are material within the context or value of the group as a whole.

The subsidiary company Surfachem Nordic AS is incorporated in Norway.

The subsidiary company Surfachem Brasil Ltda is incorporated in Brazil.

The subsidiary companies CE-O2 Trockeneis GmbH, Surfachem Deutschland GmbH and 2M Deutschland GmbH are incorporated in Germany.

The subsidiary company Ingretech SAS is incorporated in France.

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

5. Financial instruments

	30 April 2021 £'000	30 April 2020 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6	6
	<u>6</u>	<u>6</u>
Carrying amount of financial liabilities		
Measured at amortised cost	10,046	9,311
	<u>10,046</u>	<u>9,311</u>

6. Debtors

	30 April 2021 £'000	30 April 2020 £'000
Other debtors	6	6
Corporation tax repayable	7	7
	<u>13</u>	<u>13</u>

Other debtors include an amount receivable from employees of £6k (2020: £6k) for the transfer of shares between employees.

7. Creditors: Amounts falling due within one year

	30 April 2021 £'000	30 April 2020 £'000
Accruals	3	3
Due to subsidiary undertakings	10,043	9,308
	<u>10,046</u>	<u>9,311</u>

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

8. Share capital

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary A shares	130,000	130	-	130
Ordinary B shares	1,490	2	165	167
Ordinary C shares	130,000	1	-	1
At 30 April 2020 and 30 April 2021	261,490	133	165	298

Ordinary A shareholders are entitled to vote at meetings of the company and each share in issue carries one vote. The shares have rights to dividends and capital to participate in any distribution pro-rata with the Ordinary B shares. Ordinary A shares are not redeemable.

Ordinary B shares rank pari passu in all respects with Ordinary A shares save that they carry no entitlement to vote at meetings of the company. The shares have rights to dividends and capital to participate in any distribution pro-rata with the Ordinary A shares. Ordinary B shares are not redeemable.

Ordinary C shares carry no entitlement to vote at meetings of the company, are not entitled to participate in dividend distributions, have only limited rights to participate in a distribution as respects to capital and are not redeemable.

9. Share based payment transactions

The company has granted share options under an Unapproved Share Option Plan (the 'Unapproved Plan').

Under the Unapproved Plan, options are granted to employees and directors to acquire Ordinary B shares at a price of £111.54 per share. In general, options vest after ten years and are exercisable if the group is sold or becomes listed on a recognised stock exchange.

The Company granted 2,600 share options under the Unapproved Plan in the year ending 30 April 2014 with total fair values estimated using the Black-Scholes option-pricing model of £287k. A discount rate of 50% has been applied to reflect the medium term possibility of the exercisable events occurring resulting in a cost of £144k being amortised over ten years.

A total expense of £15k has been charged in the subsidiary companies under which the employees are remunerated.

The following assumptions were used for the Black-Scholes valuation of share options granted in the prior period:

2M GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

9. Share based payment transactions (continued)

Unapproved plan
Issued 2012
Employees

Options granted	2,600
Risk-free interest rate	0.5%
Expected life of the options	10 years
Annualised volatility	23.39%

The options outstanding at 30 April 2021 have an exercise price of £111.54 per share and a weighted average remaining contractual life of 4.42 years.

10. Control

The director, M Kessler MBE, retains ultimate control of the group.

11. Guarantees and other financial commitments

- The company has granted a composite guarantee and debenture to Investec Bank plc in respect of amounts due to the bank.
- A subsidiary company, 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 £4,500k.

12. Cash generated from operations

	2021 £'000	2020 £'000
Loss before taxation	-	-
<i>Add back non-operating items:</i>		
Financial expense	-	-
Cost of share options	15	15
<i>Adjustments for:</i>		
Decrease in debtors	-	46
Increase in payables	735	740
	<hr/>	<hr/>
Cash generated from operations	750	801

13. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	13	13

14. Directors' transactions

Dividends totalling £709k (2020: £755k) were paid in the year in respect of shares held by the company's directors.