

SCHULKE AND MAYR UK LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011



Smith Craven
Chartered Accountants

SATURDAY



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FOR THE YEAR ENDED 31 DECEMBER 2011**

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SCHULKE AND MAYR UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

| | |
|---------------------------|---|
| DIRECTORS: | J-L Charlet P Leonard A P Scott |
| SECRETARY: | P Leonard |
| REGISTERED OFFICE: | Cygnets House 1 Jenkin Road Meadowhall Sheffield South Yorkshire S9 1AT |
| REGISTERED NUMBER: | 02987168 (England and Wales) |
| AUDITORS: | Smith Craven Chartered Accountants Statutory Auditors Kelham House Kelham Street Doncaster South Yorkshire DN1 3RE |
| BANKERS: | HSBC 55 Whitefriargate Hull HU1 2HX |

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of chemical preservatives and disinfectants

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The year ended 31st December 2011 continued the company's upward trend in turnover growth established in 2009 and 2010, although the impact of the adverse global economic climate on operations remains significant

PERFORMANCE SUMMARY

The company further consolidated annual growth in the year ended 31st December 2011 by an increase in turnover of 11.2% to £10.2 million. The increase in the company's levels of activity was founded on a particularly strong performance by the Special Additives division. Gross margins remained under pressure due to increased raw material costs, increases in transportation and commercial price pressures. However, these factors were offset to some degree, by the increase in sales volumes.

FINANCIAL KEY PERFORMANCE INDICATORS

| | 2011 | 2010 |
|--------------------------------|-------------|------------|
| Turnover | £10,185,379 | £9,161,666 |
| Gross Profit | £3,156,250 | £3,039,081 |
| Gross Profit Percentage | 30.99% | 33.17% |
| Net (Loss) / Profit Before Tax | £(144,434) | £106,742 |
| Net Current Assets | £1,561,140 | £1,649,276 |
| Net Assets | £1,580,829 | £1,679,043 |

EMPLOYEE MATTERS

Staff numbers increased during the course of the year due to efforts made to recruit additional staff to cope with the company's increased levels of activity. The company continues to supplement staff competencies in key technical areas through internal skills development and external training courses. The company remains an equal opportunities employer and implements rigorous health and safety management processes.

ENVIRONMENTAL MATTERS

The company is committed to minimising the impact of its activities on the environment and to continually improve its environmental performance.

BUSINESS RISKS

The board of directors regularly considers the main risks that the company faces and how to mitigate them. The most significant business risks are summarised as follows:

- That the company's strategy and business model does not deliver results
- That worldwide market conditions worsen and there is a further weakening of sterling against foreign currencies
- That economic conditions in the United Kingdom deteriorate and significantly impact on cash flows

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

ONGOING STRATEGY AND FUTURE DEVELOPMENTS

The company's ongoing strategy is to concentrate on developing and growing its core trading business whilst at the same time seeking out new markets and opportunities to exploit its people's skills

In view of the effects of the continuing global recession in 2011, the board are satisfied with the company's performance and look forward to improving trading conditions in 2012

DIVIDENDS

No dividends were paid during the year

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

J-L Charlet
P Leonard
A P Scott

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It has long been the company's policy to pay suppliers promptly and it supports the Government's initiative to encourage and promote this practice

At the year end the company had an average of 15 days purchases outstanding in trade creditors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

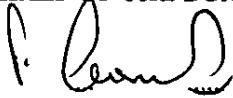
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

AUDITORS

The auditors, Smith Craven, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



P Leonard - Secretary

Date 27 March, 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCHULKE AND MAYR UK LIMITED

We have audited the financial statements of Schulke and Mayr UK Limited for the year ended 31 December 2011 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SCHULKE AND MAYR UK LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Kelvin Fitton, BA FCA (Senior Statutory Auditor)
for and on behalf of Smith Craven
Chartered Accountants
Statutory Auditors
Kelham House
Kelham Street
Doncaster
South Yorkshire
DN1 3RE

Date 27 March 2012

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | Notes | 2011 £ | 2010 £ |
|---|-------|------------------|------------------|
| TURNOVER | 2 | 10,185,379 | 9,161,666 |
| Cost of sales | | <u>7,029,129</u> | <u>6,122,585</u> |
| GROSS PROFIT | | 3,156,250 | 3,039,081 |
| Administrative expenses | | <u>3,301,031</u> | <u>2,932,406</u> |
| OPERATING (LOSS)/PROFIT | 4 | (144,781) | 106,675 |
| Interest receivable and similar income | 5 | <u>347</u> | <u>67</u> |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (144,434) | 106,742 |
| Tax on (loss)/profit on ordinary activities | 6 | <u>(46,220)</u> | <u>47,637</u> |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | <u>(98,214)</u> | <u>59,105</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

BALANCE SHEET
31 DECEMBER 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Intangible assets | 7 | - | - |
| Tangible assets | 8 | <u>19,689</u> | <u>29,767</u> |
| | | 19,689 | 29,767 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 1,284,102 | 1,654,499 |
| Debtors | 10 | 1,927,945 | 1,783,749 |
| Cash at bank and in hand | | <u>253,629</u> | <u>173,655</u> |
| | | 3,465,676 | 3,611,903 |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>1,904,536</u> | <u>1,962,627</u> |
| NET CURRENT ASSETS | | <u>1,561,140</u> | <u>1,649,276</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,580,829</u> | <u>1,679,043</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 100,000 | 100,000 |
| Profit and loss account | 14 | <u>1,480,829</u> | <u>1,579,043</u> |
| SHAREHOLDERS' FUNDS | 17 | <u>1,580,829</u> | <u>1,679,043</u> |

The financial statements were approved by the Board of Directors on its behalf by



P Leonard - Director

27, March, 2012 and were signed on

SCHULKE AND MAYR UK LIMITED (REGISTERED NUMBER: 02987168)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | Notes | 2011 £ | 2010 £ |
|---|-------|----------------|------------------|
| Net cash inflow/(outflow) from operating activities | 1 | 108,165 | (252,926) |
| Returns on investments and servicing of finance | 2 | 347 | 67 |
| Taxation | | (26,814) | (42,229) |
| Capital expenditure | 2 | <u>(1,724)</u> | <u>(23,545)</u> |
| Increase/(Decrease) in cash in the period | | <u>79,974</u> | <u>(318,633)</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| Increase/(Decrease) in cash in the period | | <u>79,974</u> | <u>(318,633)</u> |
| Change in net funds resulting from cash flows | | <u>79,974</u> | <u>(318,633)</u> |
| Movement in net funds in the period | | 79,974 | (318,633) |
| Net funds at 1 January | | <u>173,655</u> | <u>492,288</u> |
| Net funds at 31 December | | <u>253,629</u> | <u>173,655</u> |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES

| | 2011 £ | 2010 £ |
|--|-----------------------|-------------------------|
| Operating (loss)/profit | (144,781) | 106,675 |
| Depreciation charges | 11,802 | 14,758 |
| Decrease/(Increase) in stocks | 370,397 | (276,024) |
| Increase in debtors | (60,554) | (598,582) |
| (Decrease)/Increase in creditors | (68,699) | 500,247 |
| Net cash inflow/(outflow) from operating activities | <u>108,165</u> | <u>(252,926)</u> |

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2011 £ | 2010 £ |
|--|-----------------------|------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | <u>347</u> | <u>67</u> |
| Net cash inflow for returns on investments and servicing of finance | <u>347</u> | <u>67</u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (1,724) | (23,546) |
| Sale of tangible fixed assets | <u>-</u> | <u>1</u> |
| Net cash outflow for capital expenditure | <u>(1,724)</u> | <u>(23,545)</u> |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/1/11 £ | Cash flow £ | At 31/12/11 £ |
|--------------------------|-----------------------|----------------------|-----------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>173,655</u> | <u>79,974</u> | <u>253,629</u> |
| | <u>173,655</u> | <u>79,974</u> | <u>253,629</u> |
| Total | <u>173,655</u> | <u>79,974</u> | <u>253,629</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1995, has been fully amortised having exceeded its estimated useful life of five years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|--|---------------|
| Improvements to short leasehold property | - 20% on cost |
| Plant and machinery | - 25% on cost |
| IT equipment | - 33% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

2 **TURNOVER**

The turnover and loss (2010 - profit) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

| | 2011 £ | 2010 £ |
|----------------|-------------------|------------------|
| United Kingdom | 10,121,709 | 9,116,522 |
| Europe | <u>63,670</u> | <u>45,144</u> |
| | <u>10,185,379</u> | <u>9,161,666</u> |

3 **STAFF COSTS**

| | 2011 £ | 2010 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,466,517 | 1,311,234 |
| Social security costs | 188,605 | 161,242 |
| Other pension costs | <u>60,818</u> | <u>72,369</u> |
| | <u>1,715,940</u> | <u>1,544,845</u> |

The average monthly number of employees during the year was as follows

| | 2011 | 2010 |
|----------------------------|-----------|-----------|
| Selling and administration | <u>38</u> | <u>33</u> |

4 **OPERATING (LOSS)/PROFIT**

The operating loss (2010 - operating profit) is stated after charging

| | 2011 £ | 2010 £ |
|--|---------------|---------------|
| Other operating leases | 163,527 | 134,624 |
| Depreciation - owned assets | 11,802 | 14,758 |
| Auditors' remuneration | 8,002 | 5,700 |
| Auditors' remuneration for non audit work | <u>40,081</u> | <u>35,609</u> |
| Directors' remuneration | 211,225 | 234,594 |
| Directors' pension contributions to money purchase schemes | <u>18,466</u> | <u>17,526</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows

| | 2011 £ | 2010 £ |
|----------------|-----------|-----------|
| Emoluments etc | 122,561 | 134,935 |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

5 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2011 | 2010 |
|--------------------------|------------|-----------|
| | £ | £ |
| Deposit account interest | <u>347</u> | <u>67</u> |

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

| | 2011 | 2010 |
|---|-----------------|---------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | (46,220) | 37,165 |
| Adjustment in respect of prior periods | <u>-</u> | <u>10,472</u> |
| Tax on (loss)/profit on ordinary activities | <u>(46,220)</u> | <u>47,637</u> |

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

| | 2011 | 2010 |
|---|------------------|----------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before tax | <u>(144,434)</u> | <u>106,742</u> |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.500% (2010 - 28%) | (38,275) | 29,888 |
| Effects of | | |
| Expenses not deductible for tax purposes | 10,601 | 11,616 |
| Depreciation for the year in excess of capital allowances | 1,251 | - |
| Capital allowances for the year in excess of depreciation | - | (4,339) |
| Tax debtor overprovision | (19,797) | - |
| Adjustment in respect of prior period | <u>-</u> | <u>10,472</u> |
| Current tax (credit)/charge | <u>(46,220)</u> | <u>47,637</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

7 INTANGIBLE FIXED ASSETS

| | |
|-----------------------|----------------|
| | Goodwill £ |
| COST | |
| At 1 January 2011 | |
| and 31 December 2011 | <u>714,345</u> |
| AMORTISATION | |
| At 1 January 2011 | |
| and 31 December 2011 | <u>714,345</u> |
| NET BOOK VALUE | |
| At 31 December 2011 | <u>-</u> |
| At 31 December 2010 | <u>-</u> |

8 TANGIBLE FIXED ASSETS

| | Improvements to short leasehold property £ | Plant and machinery £ | IT equipment £ | Totals £ |
|-----------------------|--|-----------------------------|----------------------|---------------|
| COST | | | | |
| At 1 January 2011 | 39,200 | 22,805 | 17,006 | 79,011 |
| Additions | <u>-</u> | <u>-</u> | <u>1,724</u> | <u>1,724</u> |
| At 31 December 2011 | <u>39,200</u> | <u>22,805</u> | <u>18,730</u> | <u>80,735</u> |
| DEPRECIATION | | | | |
| At 1 January 2011 | 35,944 | 11,239 | 2,061 | 49,244 |
| Charge for year | <u>850</u> | <u>5,811</u> | <u>5,141</u> | <u>11,802</u> |
| At 31 December 2011 | <u>36,794</u> | <u>17,050</u> | <u>7,202</u> | <u>61,046</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2011 | <u>2,406</u> | <u>5,755</u> | <u>11,528</u> | <u>19,689</u> |
| At 31 December 2010 | <u>3,256</u> | <u>11,566</u> | <u>14,945</u> | <u>29,767</u> |

The property is classed as short leasehold

9 STOCKS

| | 2011 £ | 2010 £ |
|----------------|------------------|------------------|
| Finished goods | <u>1,284,102</u> | <u>1,654,499</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|-----------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,717,313 | 1,622,171 |
| Other debtors | 12,355 | 33,362 |
| Due from group undertakings | 2,676 | 19,849 |
| Tax | 47,575 | - |
| Prepayments | 148,026 | 108,367 |
| | <u>1,927,945</u> | <u>1,783,749</u> |

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 288,261 | 336,636 |
| Tax | - | 25,459 |
| Social security and other taxes | 494,723 | 365,364 |
| Other creditors | 5,014 | - |
| Due to group undertakings | 891,838 | 850,537 |
| Accrued expenses | 224,700 | 384,631 |
| | <u>1,904,536</u> | <u>1,962,627</u> |

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

| | Land and buildings | | Other operating leases | |
|----------------------------|--------------------|---------------|------------------------|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| Expiring | | | | |
| Within one year | - | - | 10,406 | 23,271 |
| Between one and five years | - | - | 94,834 | 51,081 |
| In more than five years | <u>83,775</u> | <u>83,775</u> | - | - |
| | <u>83,775</u> | <u>83,775</u> | <u>105,240</u> | <u>74,352</u> |

13 CALLED UP SHARE CAPITAL

| Allotted and issued | | | 2011 | 2010 |
|---------------------|----------|---------------|----------------|----------------|
| Number | Class | Nominal value | £ | £ |
| 100,000 | Ordinary | £1 | <u>100,000</u> | <u>100,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

14 RESERVES

| | Profit and loss account £ |
|----------------------|------------------------------------|
| At 1 January 2011 | 1,579,043 |
| Deficit for the year | <u>(98,214)</u> |
| At 31 December 2011 | <u>1,480,829</u> |

15 ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent company of this company is Air Liquide SA, which is registered in France. Its immediate parent company is Schulke & Mayr GmbH, which is registered in Germany.

16 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under Financial Reporting Standard No 8, being a wholly owned subsidiary, not to disclose transactions with other group companies.

The consolidated accounts of the ultimate parent company, Air Liquide SA, can be obtained from 75 Quai D'Orsay, 75321, Paris, Cedex 07, France.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| (Loss)/Profit for the financial year | <u>(98,214)</u> | <u>59,105</u> |
| Net (reduction)/addition to shareholders' funds | (98,214) | 59,105 |
| Opening shareholders' funds | <u>1,679,043</u> | <u>1,619,938</u> |
| Closing shareholders' funds | <u>1,580,829</u> | <u>1,679,043</u> |