

00250915



TENNANTS CONSOLIDATED LIMITED

Report and Financial Statements

31st December 2020

TENNANTS CONSOLIDATED LIMITED

Directors	William Paul Alexander (<i>Chairman</i>) Paul Colin Hancock Andrew Fraser John Mitchell (<i>retired November 2020</i>) Andrew Clive Gingell (<i>retired November 2020</i>) Duncan James Alexander Kevin Garth Jones (<i>deceased October 2020</i>) Jonathan Harry Cartwright Michael Gary Hughes Timothy Griffiths (<i>appointed March 2020</i>) Robert Alexander Peden (<i>appointed May 2020</i>) Sean William Sloan (<i>appointed April 2021</i>)
Bank	Bank of Scotland plc 300 Lawnmarket, Royal Mile, Edinburgh EH1 2PH
Auditors	Grant Thornton UK LLP 30 Finsbury Square, London EC2A 1AG
Secretary	Sean William Sloan
Registered Office	12 Upper Belgrave Street, London SW1X 8BA
Registered Number	00250915

TENNANTS CONSOLIDATED LIMITED

Strategic Report

Principal activities and operations

The group manufactures, distributes and sells chemicals and chemical products globally.

Review of the group's business

The Directors are pleased with the overall result for 2020, in view of the continued global economic uncertainty. The group is focussed on growing its business by expanding its core activities and by strategic acquisitions.

The group's results are:

	2020	2019
Operating profit	£39,772,000	£28,927,000
Group profit before taxation	£37,754,000	£33,003,000
Net profit attributable to shareholders	£30,478,000	£25,866,000

Analysis of the performance during the year

Turnover in 2020 decreased by £9.3m (1.8%) to £512.8m. Sales by overseas companies decreased by £18.0m, U.K. sales increased by £2.2m and U.K. export sales increased by £6.6m. With a decrease of 4.0% in operating costs, operating profit increased to £39.8m. Net profit attributable to shareholders of £30.5m is higher than that recorded in 2019, largely due to the increase in operating profit being offset by a decrease in the value of listed investments of £3.0m. The taxation charge in the year has decreased compared to 2019. The group has not benefited from any UK government furlough payments.

During the year, the group invested £5.0m for a 49% holding in the registered capital of Asahi Tennants Color Pvt Ltd, an associated company incorporated in India.

Principal risks and uncertainties facing the group

The main risk to the group relates to the future uncertainty of the UK economy where approximately 47% of group sales are made, although this risk is reduced by long-term relationships with suppliers and customers.

The COVID-19 pandemic presents a continued risk to the group. The Directors have assessed the risks arising and consider the immediate impact to be limited. Although the longer-term impact is harder to evaluate, after modelling a number of possible scenarios, the Directors are confident the group remains sufficiently strong to withstand such potential adverse effects on the group's business activities as can practically be foreseen at the date of this report.

There remains some uncertainty following the UK's withdrawal from the European Union (EU). This includes implementation of customs arrangements and European legislation (e.g., REACH). This risk differs across individual group companies.

Changes to legislation, in particular where these relate to the chemical industry, continue to impact some group companies. The Directors are committed to meeting these requirements.

Group systems are designed so that companies comply with legal and regulatory requirements, including environmental and health & safety regulations. Certain group companies are active members of Responsible Care schemes.

Pension risk

The group's defined benefit scheme obligations are subject to medium and long term interest rate volatility, changes to member longevity and, to a lesser extent, inflation uncertainty. The management of these risks are a significant matter and they are frequently reviewed by the Board and the pension fund's trustee. The closure of the scheme to future accrual has significantly reduced the group's risk.

TENNANTS CONSOLIDATED LIMITED

Strategic Report (*continued*)

Financial instruments

The main risks arising from the group's financial instruments are:

Investment risk

The group has an exposure to investment risk on the value of its listed investments. The risk is managed by maintaining a broad portfolio of investments and taking a long term approach to investment decisions.

Foreign currency risk

The group has an exposure to foreign currencies due to both selling and purchasing in currencies other than sterling. The risk is managed by the use of forward currency contracts and matching foreign cash holdings against future expenditure.

Credit and cash flow risk

The group's credit risk is primarily from its trade debtors. This risk is reduced by the number of long established customers and an emphasis on good credit management which includes the targeted use of credit insurance cover.

Liquidity risk

The Directors are pleased with the group's high liquidity ratio which reflects the financial health of the group. The group maintains its high liquidity by effective management of its current assets and liabilities.

The group banks in many countries, including Ireland, Brazil, Canada, the USA and the U.K. The risks of this include bank solvency, liquidity of investments, interest rates earned and currency fluctuation. In managing these risks, the group places deposits with highly rated institutions. Interest rates and withdrawal limits are reviewed regularly.

S172(1) Statement

The Directors act with good faith in a way to promote the success of the group for the benefit of its members as a whole. The Directors promote business practices which seek to enhance the good reputation of the group. The Directors seek to nurture positive long-term relationships with the group's key stakeholders including shareholders, employees, the pension fund, customers and suppliers.

Where appropriate, operational decisions will be made at subsidiary level. The Directors have oversight of these decisions to ensure they have the success of the group and its stakeholders in mind and have not had to take any principal decisions in relation to these. Examples of engagement with key stakeholders include:

- The group communicates with the shareholders via the annual general meeting and the annual report and financial statements.
- The group's subsidiaries give consideration of the interests of employees when making decisions, with their health, safety and well-being one of the primary considerations.
- Relationships with customers and suppliers are managed at a subsidiary level, with key relationships considered by the group Board.
- The group maintains a collaborative relationship with the pension fund through regular meetings and knowledge sharing.

The potential impact of decisions on stakeholders are considered whilst having regard to other factors, including the impact of the group's operations on the environment. During the year, significant decisions made by the Board include the sale of Tennants Fine Chemicals Limited, which completed in 2021 to the benefit of all key stakeholders.

TENNANTS CONSOLIDATED LIMITED

Strategic Report (*continued*)

Key performance indicators

The Directors assess the group's performance by reference to the Operating profit, Group profit before taxation and Net profit attributable to shareholders and consider these to be the relevant Key Performance Indicators (KPIs). These are discussed further in the Review of the group's business.

Individual group companies use a variety of KPIs to measure performance. These are regularly reviewed by the group's Directors and include return on sales, return on capital employed and gross margin contribution. Individual group companies apply their own criteria to non-financial KPIs which include customer retention statistics, employee turnover, accident statistics and compliance with all relevant environmental legislation.

Sean Sloan

By order of the board,
Mr S. W. Sloan
Director & Secretary

12 Upper Belgrave Street
London, SW1X 8BA
27th May 2021

TENNANTS CONSOLIDATED LIMITED

Directors' Report

The Directors present their report for the year ended 31st December 2020.

Directors

The Directors listed on page 1 have held office during the period since the last Annual General Meeting.

Mr K. G. Jones passed away in October 2020 and Mr A. F. J. Mitchell and Mr. A. C. Gingell retired from the Board in November 2020. The Board offer their appreciation and thanks for their dedicated service.

The Directors retiring by rotation are Mr J. H. Cartwright, Mr T. Griffiths and Dr R. A. Peden who offer themselves for re-election.

The company maintains insurance to cover Directors' liability as permitted by Section 232(2) of the Companies Act 2006.

Dividends

The interim dividend for the year ended 31 December 2020 of 31.28p per share was approved in a general meeting on 31 March 2021.

The final dividend will be considered and voted upon at the AGM.

Research and development

The group is engaged in research and development in support of the products and services that it provides to its customers. Note 4 to the financial statements details the amount spent on research and development.

Future developments

The group will maintain its objective of strategic acquisition and core business expansion.

Financial instruments

Details of financial instruments are provided in the strategic report.

Employee engagement

The quality and commitment of the group's employees plays a major role in the group's success. The Directors have regard to the interests of employees when making decisions with their health, safety and well-being one of the primary considerations. To grow employees' understanding and engagement, group companies communicate by means of newsletters, meetings, announcements, electronic media and direct communication.

Stakeholder engagement

Details of stakeholder engagement is disclosed in the S172(1) statement provided in the strategic report.

Disabled employees

The group fully considers employment applications from disabled persons where the job can be adequately performed by a disabled person. Where existing employees become disabled, it is the group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Donations

Group donations to U.K. charitable organisations amounted to £32,700 (2019: £35,925).

TENNANTS CONSOLIDATED LIMITED

Directors' Report (*continued*)

Energy and emissions report

The group's businesses regularly consider their energy usage as part of optimising the efficiency of their operations. During the year, the group measured its energy usage as set out below:

	2020
UK energy use (kWh)	128,027,731
Associated Greenhouse gas emissions (tCO ₂ e)	26,305
Intensity ratio (Revenue earned per tCO ₂ e, £M / tCO ₂ e)	8.57

UK energy use covers the activities of Charles Tennant & Co. (N.I.) Limited, Synthite Limited, Tennants Distribution Limited and Tennants Fine Chemicals Limited.

Associated Greenhouse gases have been calculated by applying the published conversion factors to UK energy use.

Going concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to investment, credit, liquidity and cash flow risk are described in the Strategic Report.

The group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The uncertainty as to the future impact on the group of the Covid-19 outbreak has been considered as part of the group's adoption of the going concern basis. The Director's note that the group has performed well during 2020 with liquidity strengthening further.

As key suppliers to industries at the forefront of fighting the virus, and following consultation with the relevant Trade Associations, the Directors are of the opinion that many of the group's companies are critical businesses, falling within the criteria issued by the UK Government and other relevant authorities in the overseas countries in which the group operates.

To assess the potential impact of Covid-19 on the group's results, the Directors have considered a number of possible scenarios. This includes modelling for major impacts including reduced revenues and operating margins together with increased irrecoverable debt for at least a 12 month period following the date of this report. On the basis of this modelling, the Directors are confident that the group's liquidity remains sufficient over the forecast period.

After making enquiries and reviewing forecasts for at least 12 months after the date of signing of the accounts, the Directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

TENNANTS CONSOLIDATED LIMITED

Directors' Report (*continued*)

Disclosure of information to auditors

The directors confirm that:

- so far as each Director is aware, there is no relevant information of which the company's auditor is 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 auditor is aware of that information.

Subsequent events

On the 1st February 2021 the company completed the sale of Tennants Fine Chemicals Limited for proceeds of £37.3m, realising a gain of £19.9m.

The group has been made aware of a potential disposal event post year end. It is estimated that up to £6M could be realised from the sale of certain unlisted investments in 2021. These disposals are outside of the control of the group due to the minority shareholdings. At the date of these financial statements the outcome of any disposal, including the sales price and how this has been derived, remains uncertain.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors will be put to members at the Annual General Meeting.

Sean Sloan

12 Upper Belgrave Street
London, SW1X 8BA
27th May 2021

By order of the board,
Mr S. W. Sloan
Director & Secretary

TENNANTS CONSOLIDATED LIMITED

Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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.

TENNANTS CONSOLIDATED LIMITED

Independent auditor's report to the members of Tennants Consolidated Limited

Opinion

We have audited the financial statements of Tennants Consolidated Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group income statement, the Group statement of comprehensive income, the Group and Company statements of financial position, the Group and Company statement of changes in equity the Group statement 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended:
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 and the parent company 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included an assessment of management's forecasts and consideration of downside scenarios, where management have applied more pessimistic assumptions for revenue, operating profit and bad debts. Based on the group's liquid assets (cash reserves and listed investments) at the date of assessment, which have increased for the cash proceeds for the disposal of a group company post year end, we agree with management's conclusion that the group is a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

TENNANTS CONSOLIDATED LIMITED

Independent auditor's report to the members of Tennants Consolidated Limited (*continued*)

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 and the parent 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

Matter on which we are required to report under the Companies Act 2006

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

TENNANTS CONSOLIDATED LIMITED

Independent auditor's report to the members of Tennants Consolidated Limited (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent 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 group or the parent 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 auditor's 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.

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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

TENNANTS CONSOLIDATED LIMITED


Independent auditor's report to the members of Tennants Consolidated Limited (*continued*)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: FR 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and Companies Act 2006. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as REACH and other chemical regulations.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - a) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - b) Challenging assumptions and judgements made by management in its significant accounting estimates;
 - c) Identifying and testing journal entries; and
 - d) Assessing the extent of compliance with the relevant laws and regulations.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - a) Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - b) Knowledge of the industry in which the client operates; and
 - c) Understanding of the legal and regulatory requirements specific to the company including the provisions of applicable legislation, the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition.
- In assessing the potential risk of material misstatement, we obtained an understanding of:
 - a) The company's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in material misstatement, and
 - b) The company's control environment, including management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations.

Use of our report

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


Sergio Cardoso
 Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
London
27th May 2021

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group income statement for the year ended 31st December 2020

	Notes	2020 £000	2019 £000
TURNOVER	2	512,793	522,140
Operating costs	3	(473,021)	(493,213)
OPERATING PROFIT		39,772	28,927
Income and fair value movement of fixed asset investments	6	(1,293)	4,193
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		38,479	33,120
Interest receivable and similar income	7	466	639
Interest payable and similar charges	8	(316)	(246)
Other finance expense	24(d)	(875)	(510)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,754	33,003
Tax on profit on ordinary activities	9(a)	(6,857)	(7,098)
PROFIT FOR THE FINANCIAL YEAR		30,897	25,905
Profit for the financial year attributable to:			
Owners of the parent		30,478	25,866
Minority interest		419	39

All operations are continuing. The notes on pages 18 to 37 form part of these financial statements.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group statement of comprehensive income for the year ended 31st December 2020

	Notes	2020 £000	2019 £000
PROFIT FOR THE FINANCIAL YEAR		30,897	25,905
Currency translation		600	(3,607)
Income recognised for the year prior to pension adjustments		31,497	22,298
Actuarial gain/(loss) in defined benefit pension scheme before tax	24(d)	4,599	(7,640)
Deferred tax on actuarial movement in defined benefit pension scheme	19	(857)	1,299
Actuarial gain/(loss) in defined benefit pension scheme after tax		3,742	(6,341)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		35,239	15,957
Total comprehensive income for the financial year attributable to:			
Owners of the parent		34,820	15,918
Minority interest		419	39

The notes on pages 18 to 37 form part of these financial statements.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Statement of financial position at 31st December 2020

	Notes	2020		2019	
		Group £000	Company £000	Group £000	Company £000
FIXED ASSETS					
Intangible assets	12	4,339	-	4,626	-
Tangible assets	13	55,901	105	53,608	122
Investments:					
Listed investments	14(a)	51,254	-	53,236	-
Other investments	14(b)	14,839	-	9,152	-
Subsidiaries	14(c)	-	54,605	-	54,560
		<u>126,333</u>	<u>54,710</u>	<u>120,622</u>	<u>54,682</u>
CURRENT ASSETS					
Stocks	15	58,691	-	63,631	-
Debtors:	16				
amounts falling due within one year		101,165	10,341	96,997	5,227
amounts falling due after more than one year		3,444	20,183	5,106	23,121
Cash deposits at bank and in hand		<u>110,223</u>	<u>5,020</u>	<u>83,081</u>	<u>4,163</u>
		<u>273,523</u>	<u>35,544</u>	<u>248,815</u>	<u>32,511</u>
CREDITORS: amounts falling due within one year					
Bank overdrafts		4	-	213	-
Trade and other creditors	17	51,382	888	43,595	1,258
Current taxation		1,247	-	4,686	-
		<u>52,633</u>	<u>888</u>	<u>48,494</u>	<u>1,258</u>
NET CURRENT ASSETS		<u>220,890</u>	<u>34,656</u>	<u>200,321</u>	<u>31,253</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>347,223</u>	<u>89,366</u>	<u>320,943</u>	<u>85,935</u>
CREDITORS: amounts falling due after more than one year	18	(7,007)	(19,512)	(5,772)	(20,323)
PROVISION FOR LIABILITIES	19	(2,213)	-	(1,676)	-
NET ASSETS BEFORE PENSION LIABILITY		<u>338,003</u>	<u>69,854</u>	<u>313,495</u>	<u>65,612</u>
PENSION LIABILITY	24(f)	(18,328)	(18,328)	(24,265)	(24,265)
NET ASSETS		<u>319,675</u>	<u>51,526</u>	<u>289,230</u>	<u>41,347</u>
CAPITAL & RESERVES					
Called up share capital	20	4,608	4,608	4,608	4,608
Capital redemption reserve	21	536	536	536	536
Other non-distributable reserves	21	900	-	900	-
Profit and loss account		<u>313,099</u>	<u>46,382</u>	<u>283,073</u>	<u>36,203</u>
FUNDS ATTRIBUTABLE TO MEMBERS OF THE PARENT		<u>319,143</u>	<u>51,526</u>	<u>289,117</u>	<u>41,347</u>
Minority interest		532	-	113	-
TOTAL SHAREHOLDERS' FUNDS		<u>319,675</u>	<u>51,526</u>	<u>289,230</u>	<u>41,347</u>

The Company's profit for the year was £11,231,000 (2019: £6,354,000).

The financial statements were approved by the Board of Directors and authorised for issue on 27th May 2021 and are signed on its behalf by:

Director W P Alexander

Director & Secretary S W Sloan

Company registration number: 00250915

W. P. Alexander

Sean Sloan

The notes on pages 18 to 37 form part of these financial statements.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group statement of changes in equity for the year ended 31st December 2020

	Called up Share Capital	Capital Redemption Reserve	Other Non- Distributable Reserves	Profit and Loss Account	Amount attributable to owners of the parent	Minority interests	Total shareholders' funds
	£000	£000	£000	£000	£000	£000	£000
At 1st January 2019	4,608	536	900	268,543	274,587	1,038	275,625
Profit for the year	-	-	-	25,866	25,866	39	25,905
Other comprehensive loss	-	-	-	(3,607)	(3,607)	-	(3,607)
Movement in pension deficit	-	-	-	(6,341)	(6,341)	-	(6,341)
Total comprehensive income for the year	-	-	-	15,918	15,918	39	15,957
Purchase of minority interest	-	-	-	(1,071)	(1,071)	(964)	(2,035)
Dividends declared and approved	-	-	-	(317)	(317)	-	(317)
As at 31st December 2019	4,608	536	900	283,073	289,117	113	289,230
Profit for the year	-	-	-	30,478	30,478	419	30,897
Other comprehensive loss	-	-	-	600	600	-	600
Movement in pension deficit	-	-	-	3,742	3,742	-	3,742
Total comprehensive income for the year	-	-	-	34,820	34,820	419	35,239
Dividends approved and paid	-	-	-	(4,794)	(4,794)	-	(4,794)
As at 31st December 2020	4,608	536	900	313,099	319,143	532	319,675

Company statement of changes in equity for the year ended 31st December 2020

	Called up Share Capital	Capital Redemption Reserve	Other Non- Distributable Reserves	Profit and Loss Account	Amount attributable to shareholders
	£000	£000	£000	£000	£000
At 1st January 2019	4,608	536	-	36,507	41,651
Profit for the year	-	-	-	6,354	6,354
Movement in pension deficit	-	-	-	(6,341)	(6,341)
Total comprehensive income for the year	-	-	-	13	13
Dividends declared and approved	-	-	-	(317)	(317)
As at 31st December 2019	4,608	536	-	36,203	41,347
Profit for the year	-	-	-	11,231	11,231
Movement in pension deficit	-	-	-	3,742	3,742
Total comprehensive income for the year	-	-	-	14,973	14,973
Dividends approved and paid	-	-	-	(4,794)	(4,794)
As at 31st December 2020	4,608	536	-	46,382	51,526

The notes on pages 18 to 37 form part of these financial statements.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group statement of cash flows for the year ended 31st December 2020

	Notes	2020 £000	2019 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	45,802	19,694
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		466	639
Purchase of listed and unlisted investments		(7,910)	(39,591)
Investments in joint ventures and associates		(4,979)	-
Purchase of intangible fixed assets		(272)	(71)
Purchase of tangible fixed assets		(12,807)	(13,795)
Proceeds from the sale of listed and unlisted investments		6,509	37,866
Proceeds from the sale of freehold property		2,836	-
Proceeds from the sale of tangible fixed assets		389	386
Dividends received		1,666	1,856
		<u>(14,102)</u>	<u>(12,710)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(316)	(246)
Purchase of minority interest		-	(2,035)
Dividends paid to preference shareholders		(317)	(317)
Dividends paid to equity shareholders		(4,477)	(3,091)
Dividends paid to minority interests		-	(39)
		<u>(5,110)</u>	<u>(5,728)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		26,590	1,256
Foreign exchange translation adjustment		761	(1,687)
Cash and cash equivalents at 1st January		82,868	83,299
CASH, CASH EQUIVALENTS AND OVERDRAFTS AT 31ST DECEMBER		<u>110,219</u>	<u>82,868</u>

The notes on pages 18 to 37 form part of these financial statements.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Statement of compliance

Tennants Consolidated Limited is a limited liability company incorporated in England. The Registered Office is 12 Upper Belgrave Street, London, SW1X 8BA.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including 'FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Going concern

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposure to investment, credit, liquidity and cash flow risk are described in the Strategic Report.

The group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The uncertainty as to the future impact on the group of the Covid-19 outbreak has been considered as part of the group's adoption of the going concern basis. The Director's note that the group has performed well during 2020 with liquidity strengthening further.

To assess the potential impact of Covid-19 on the group's results, the Directors have considered a number of possible scenarios. This includes modelling for major impacts including reduced revenues and operating margins together with increased irrecoverable debt for at least a 12 month period following the date of this report.

After making enquiries and reviewing forecasts for at least 12 months after the date of signing of the accounts, the Directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The group financial statements are presented in sterling and consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31st December each year. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed and are accounted for under the acquisition method. The group has taken advantage of the exemption conferred by regulation 7 of the Partnerships (Accounts) Regulations 2008 and has therefore not appended the accounts of Tennants Scottish Limited Partnership to the accounts of Tennants Consolidated Limited.

The individual accounts of the company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements (*continued*)

Basis of consolidation (*continued*)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other parties under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

In the parent company financial statements, investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Minority interest represents the group's non-controlling interest as defined under FRS 102. Non-controlling interest, presented as part of equity, represents the portion of a subsidiary's profit or loss and net assets that is not held by the group. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Significant estimates made include:

- assumptions made in the estimation of the defined benefit pension scheme liability (note 24).
- the application of valuation techniques to unlisted investments (note 14(b)).

Significant judgements include the treatment of preference shares as equity (note 20).

Turnover

Turnover derives principally from the continuing manufacture of, and trading in, chemicals and allied products.

Turnover represents the fair value of consideration received or receivable for goods supplied to customers, excluding intra-group sales and after deducting sales allowances, rebates and value added taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, the revenue and costs incurred in respect of the transaction can be measured reliably and collectability is reasonably assured. This is usually at the point when goods have been delivered to the customer.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements *(continued)*

Foreign currencies

In the financial statements of the individual entities in the group, transactions in currencies other than the functional currency of the entity are recognised at the exchange rates ruling on the dates of the transactions, or at an average rate where this approximates the actual rate.

At the end of each reporting period, monetary items denominated in foreign currencies are converted into sterling at exchange rates ruling at the year-end.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are measured at fair value in a foreign currency are converted into sterling at the rate ruling when the fair value was determined.

Exchange differences are recognised in the income statement in the period in which they arise.

In the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

The assets and liabilities of the group's overseas subsidiaries are converted into sterling at exchange rates ruling at the year-end. Income and expenses are translated using the average rate for the period. Exchange differences arising on the translation of group companies are recognised in other comprehensive income.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the income statement.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to profit and loss reserves.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the income statement. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Investment income

Interest on loans and bank deposits is taken into account using the effective interest method. Income from other investments is accounted for when received. Profits or losses on realisation of investments are credited to the income statement.

Dividends

Dividends received are recognised as income when the right to income is established. Related tax credits are reflected in the tax charge for the year.

Dividends payable are recognised as a liability when there is a binding obligation to pay them.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements (*continued*)

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts, are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. Lease incentives are recognised over the lease term on a straight line basis.

Intangible assets

Intangible assets comprise goodwill, patents and trademarks and licences. Goodwill is capitalised on the statement of financial position and amortised on a straight line basis over its economic life of up to a maximum of ten years. Goodwill is reviewed for impairment at the end of the first financial year following acquisition and in other periods if events or changes in circumstances indicate that carrying value may not be recoverable.

Other intangible assets are included at cost and amortised on a straight line basis over their estimated economic useful lives with provision made for any impairment if events or changes in circumstances indicate that carrying values may not be recoverable. Such other intangible assets include patents and intellectual property, each having its own estimated economic useful life according to particular circumstances and varying between three years and ten years.

Tangible assets

Tangible assets are stated at cost, net of depreciation, and any provisions for impairment. Tangible assets are depreciated on a straight line basis, over the following periods:

- | | |
|---------------------------------------|---------------|
| - Buildings | 20 years |
| - Plant, machinery and motor vehicles | 3 to 10 years |

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, in order to write off such cost, less estimated residual value, over the assets' useful economic lives. Leasehold assets are written off over the period of the lease. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

Fixed asset investments

Investments in listed securities are recognised at fair value. Initially, this is normally the transaction price and subsequently it is typically the quoted market price. Changes in fair value are recognised in the income statement.

Investments in unquoted equity instruments are measured at fair value, estimated using valuation techniques consistent with the International Private Equity and Venture Capital guidelines (for example, by calibrating to the price of a recent investment). There is inherent estimation uncertainty in these valuations. Changes in fair value are recognised in the income statement.

Investments in subsidiary undertakings are held at historic cost less impairment.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements (*continued*)

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Thereafter, the group's share of the joint venture's profit or loss is recognised in the income statement and the group's share of movements in other comprehensive income of the joint venture is recognised in the group statement of other comprehensive income. Dividends received are recognised as a reduction in the carrying value of the joint venture investment.

Associates

In the group financial statements, investments in associates are accounted for using the equity method. The consolidated income statement includes the group's share of associates' profit less losses while the group's share of the net assets of the associates is shown in the consolidated statement of financial position.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing the stocks to their present location and condition and, in the case of work-in-progress and finished goods, an appropriate addition for production overheads.

Group companies use a variety of stock valuation methodologies each of which are appropriate to their business and are disclosed in the individual accounting policies of those companies. The methodologies used include "First in, first out" and "Average cost".

Debtors

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

Creditors

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

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements (*continued*)

Taxation

Current tax is recognised in respect of the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation and fair value adjustment of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets;
- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the reporting date, dividends have been accrued as receivable; and
- 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the date of the financial statements.

Pension benefits

The group operates two types of pension scheme.

Defined contribution scheme:

Contributions are recognised in the period related to when employee services are received.

Defined benefit scheme:

Changes in net defined benefit liability from employee service rendered during the period, along with net interest on the liability, the cost of plan introductions, benefit changes, curtailments and settlements are recognised in the profit and loss account. Actuarial gains or losses are recognised as other comprehensive income.

Pension scheme assets are measured using market values and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each financial statement date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the statement of financial position.

Cost of past services

The modification or introduction of a new benefits scheme after employment has ceased, or other long-term benefits may increase the present value of the obligation reflecting the benefits defined for services rendered during previous years and called "cost of past services". This cost of past services and costs from settlements and curtailments are booked in the income statement.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

2. TURNOVER

Analysis of turnover:	2020	2019
	£000	£000
Sales by UK companies:		
home	241,291	239,125
export	101,616	95,091
Sales by overseas companies	169,886	187,924
	<u>512,793</u>	<u>522,140</u>

3. OPERATING COSTS

Operating costs relating to the group's activities are analysed as follows:	2020	2019
	£000	£000
Costs of sale:		
Changes in stocks of work-in-progress, finished goods and goods for resale	(575)	5,120
Raw materials and consumables	344,163	358,988
Other external charges	36,643	33,067
Staff costs:		
wages and salaries	48,577	47,223
social security costs	6,274	5,849
pension costs	3,648	3,572
Amortisation of intangible fixed assets (note 12)	538	2,189
Depreciation of tangible fixed assets (note 13)	9,926	8,547
Profit on sale of freehold property	(2,380)	-
Other operating charges	26,207	28,658
	<u>473,021</u>	<u>493,213</u>

4. OPERATING PROFIT

This is stated after charging/(crediting) the following administrative expenses:	2020	2019
	£000	£000
Auditors' remuneration		
Grant Thornton UK LLP and Associates		
audit of the company financial statements	46	44
audit of the subsidiary financial statements	270	250
tax compliance services	15	15
audit related assurance services	18	18
non-audit services	3	3
corporate finance services	122	64
Other auditors		
audit of the subsidiary financial statements	218	218
tax compliance services	60	60
non-audit services	49	49
Hire of plant and machinery	837	355
Research and development	309	1,261
Operating lease rentals:		
land and buildings	634	628
plant and machinery	972	620
vehicles	340	349
Charge arising from exchange differences	73	207
Rent received	(527)	(492)
Directors' and key management personnel emoluments:		
Fees	8	7
Other emoluments	1,946	1,545

(including emoluments of the highest paid director of £380,000 (2019: £406,000)).

There are four (2019: two) Directors for whom retirement benefits accrued during the year in respect of qualifying service under a defined contribution scheme. The cost of providing those benefits was £54,000 (2019: £29,000). No directors accrued benefits under the defined benefit pension scheme.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

5. EMPLOYEES

The average monthly number of persons employed by the group during the year was:

	2020 Number	2019 Number
Management and administration	271	259
Distribution and sales	345	338
Production	612	606
	<u>1,228</u>	<u>1,203</u>

6. INCOME FROM FIXED ASSET INVESTMENTS

	2020 £000	2019 £000
Dividends received from listed investments	1,666	1,856
(Decrease)/Increase in fair value of fixed asset investments	(2,959)	2,337
	<u>(1,293)</u>	<u>4,193</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	2019 £000
Interest on short term loans and deposits	466	639

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Interest payable on bank overdrafts	316	246

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements *(continued)*

9. TAXATION

(a) Tax on profit on ordinary activities:

	2020 £000	2019 £000
UK corporation tax:		
UK corporation tax on profits of the year	3,667	8,917
Adjustments in respect of prior years	(314)	57
Double taxation relief	59	96
	<u>3,412</u>	<u>9,070</u>
Foreign tax:		
Current tax	2,689	2,008
Adjustments in respect of prior years	(122)	(341)
	<u>2,567</u>	<u>1,667</u>
Total current tax	5,979	10,737
Deferred tax:		
Origination and reversal of timing differences (note 19)	1,670	(4,199)
Adjustments in respect of prior years	(422)	4
Changes in tax rates	(370)	556
Total tax (note 9(b))	<u>6,857</u>	<u>7,098</u>

(b) Factors affecting the total tax charge for the year:

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>37,754</u>	<u>33,003</u>
Profit on ordinary activities multiplied by the tax rate of 19% (2019:19%)	7,173	6,271
Effect of:		
Expenses not deductible for tax purposes	1,561	584
Adjustments in respect of prior years	(858)	(280)
Difference in overseas tax rates	(482)	(273)
Rate differential on reversal of deferred taxes	(373)	512
Capital gains (effects of indexation, rebasing etc)	(14)	54
Accounting profit on chargeable assets	316	321
Brought forward losses	(307)	(2)
Research allowances	(159)	(89)
Total tax (note 9(a))	<u>6,857</u>	<u>7,098</u>

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is a loss of £857,000 (2019: gain £1,299,000).

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

In accordance with the exemptions allowed by section 408 of the Companies Act, 2006 the company has not presented its own income statement. Of the profit attributable to members of the parent company, a profit of £11,231,000 (2019: £6,354,000) has been dealt with in the financial statements of the company.

11. DIVIDENDS

	2020 £000	2019 £000
Interim dividend for the year ended 31st December 2019, paid on 6th April 2020: 22.69p (2019: 10.31p) per share	2,266	1,031
Final dividend for the year ended 31st December 2019, paid on 1st October 2020: 22.14p (2019: 22.06p) per share	<u>2,211</u>	<u>2,060</u>
	4,477	3,091
Dividends on preference shares	<u>317</u>	<u>317</u>
	<u>4,794</u>	<u>3,408</u>

An interim dividend for the year ended 31 December 2020 of 31.28p was paid on 6th April 2021.

The final dividend for the year ended 31 December 2020 will be considered and voted upon at the AGM scheduled for 8 July 2021.

12. INTANGIBLE FIXED ASSETS

	Goodwill £000	Patents & other £000	Total 2020 £000	Total 2019 £000
Cost or valuation:				
At 1st January	26,109	8,266	34,375	32,551
Re-classification from tangible fixed assets	-	-	-	1,662
Additions	-	272	272	71
Acquisitions	-	-	-	94
Disposals	-	(21)	(21)	(3)
At 31st December	<u>26,109</u>	<u>8,517</u>	<u>34,626</u>	<u>34,375</u>
Amortisation:				
At 1st January	24,053	5,696	29,749	26,667
Re-classification from tangible fixed assets	-	-	-	893
Disposals	-	-	-	-
Adjustment to historic amortisation (note 3)	(526)	-	(526)	-
Provided during the year (note 3)	<u>524</u>	<u>540</u>	<u>1,064</u>	<u>2,189</u>
At 31st December	<u>24,051</u>	<u>6,236</u>	<u>30,287</u>	<u>29,749</u>
Net book value at 31st December	<u>2,058</u>	<u>2,281</u>	<u>4,339</u>	<u>4,626</u>

The adjustment to historic amortisation relates to the reversal of amounts charged in excess of the book cost or valuation.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements *(continued)*13. TANGIBLE FIXED ASSETS
GROUP

	Land & Buildings £000	Plant & Machinery £000	Vehicles £000	Total £000
Cost				
At 1st January 2020	45,102	151,705	9,558	206,365
Currency changes	104	1,353	7	1,464
Re-classification	(1,019)	1,035	-	16
Additions	872	10,144	1,787	12,803
Acquisitions	-	4	-	4
Disposals	(569)	(375)	(877)	(1,821)
At 31st December 2020	<u>44,490</u>	<u>163,866</u>	<u>10,475</u>	<u>218,831</u>
Depreciation				
At 1st January 2020	21,310	125,094	6,344	152,748
Currency changes	331	1,493	5	1,829
Re-classification	-	16	-	16
Provided during the year	867	7,531	1,528	9,926
Disposals	(509)	(256)	(824)	(1,589)
At 31st December 2020	<u>21,999</u>	<u>133,878</u>	<u>7,053</u>	<u>162,930</u>
Net book value				
At 31st December 2020	<u>22,491</u>	<u>29,988</u>	<u>3,422</u>	<u>55,901</u>
At 31st December 2019	<u>23,792</u>	<u>26,611</u>	<u>3,205</u>	<u>53,608</u>

Plant and machinery with a carrying value of £1,465,000 (2019: £2,060,000) and motor vehicles with a carrying value of £nil (2019: £181,000) are held under finance leases.

The net book value of land and buildings comprises:

	2020 £000	2019 £000
Freehold	20,117	21,809
Long leasehold	<u>2,374</u>	<u>1,983</u>
	<u>22,491</u>	<u>23,792</u>

COMPANY

	Land & Buildings £000	Plant & Machinery £000	Vehicles £000	Total £000
Cost				
At 1st January 2020	119	230	103	452
Additions	-	9	-	9
At 31st December 2020	<u>119</u>	<u>239</u>	<u>103</u>	<u>461</u>
Depreciation				
At 1st January 2020	30	204	96	330
Provided during the year	<u>3</u>	<u>16</u>	<u>7</u>	<u>26</u>
At 31st December 2020	<u>33</u>	<u>220</u>	<u>103</u>	<u>356</u>
Net book value				
At 31st December 2020	<u>86</u>	<u>19</u>	<u>-</u>	<u>105</u>
At 31st December 2019	<u>89</u>	<u>26</u>	<u>7</u>	<u>122</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

14. FIXED ASSET INVESTMENTS

(a) Listed investments	Group £000
Fair Value	
At 1st January 2020	53,236
Change in fair value	(3,183)
Additions	7,710
Disposals	(6,509)
At 31st December 2020	51,254
Analysis	Group £000
At 31st December 2020	
Listed on the London Stock Exchange	32,528
Listed outside Great Britain	18,726
	51,254
At 31st December 2019	
Listed on the London Stock Exchange	33,917
Listed outside Great Britain	19,319
	53,236

Deferred tax amounting to £1,143,000 (2019: £804,000) has been provided for in these financial statements on the realisable value of these investments at 31st December 2020.

(b) Other investments	Unlisted investments £'000	Joint ventures £'000	Associates £'000	Other £000	Total £000
As at 1st January	3,153	4,922	35	1,042	9,152
Currency changes	-	(61)	-	-	(61)
Additions	200	-	4,979	-	5,179
Change in fair value	-	-	-	224	224
Share of profit	-	393	-	-	393
Disposals	-	-	(35)	(13)	(48)
At 31st December	3,353	5,254	4,979	1,253	14,839

Other investments include minority stakes acquired in UK unlisted companies. The group has been made aware of a potential disposal event post year end. It is estimated that up to £6M could be realised from the sale of certain unlisted investments in 2021. These disposals are outside of the control of the group due to the minority shareholdings. At the date of these financial statements the outcome of any disposal, including the sales price and how this has been derived, remains uncertain. The unlisted investments are valued at the reporting date using information that was available to the company as a minority shareholder in accordance with the application of valuation techniques consistent with the International Private Equity and Venture Capital guidelines.

The group has a 50% holding in the registered capital of TC China Ltd, a joint venture company incorporated in China and a 49% holding in the registered capital of Asahi Tennants Color Pvt Ltd, an associated company incorporated in India.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements *(continued)*

14. FIXED ASSET INVESTMENTS (continued)

(c) Subsidiaries

	£000
At 1st January 2020	54,560
Additions	145
Disposals	(100)
At 31st December 2020	<u>54,605</u>

A list of the company's subsidiaries is included on pages 38 to 41 of these financial statements.

15. STOCKS

	2020 £000	2019 £000
Raw materials and consumables	21,803	27,318
Work-in-progress	1,045	1,269
Finished goods and goods for resale	<u>35,843</u>	<u>35,044</u>
	<u>58,691</u>	<u>63,631</u>

16. DEBTORS

	Group £000	2020 Company £000	Group £000	2019 Company £000
Amounts falling due within one year:				
Trade	86,402	-	83,502	-
Group companies	-	9,372	-	3,829
Other debtors	6,021	87	4,862	514
Taxation recoverable	1,854	-	1,641	-
Deferred taxation (note 19)	2,563	694	2,017	694
Prepayments and accrued income	<u>4,325</u>	<u>188</u>	<u>4,975</u>	<u>190</u>
	<u>101,165</u>	<u>10,341</u>	<u>96,997</u>	<u>5,227</u>
Amounts falling due after more than one year:				
Trade and other debtors	11	-	13	-
Deferred taxation (note 19)	3,433	2,808	5,093	4,055
Group companies	-	<u>17,375</u>	-	<u>19,066</u>
	<u>3,444</u>	<u>20,183</u>	<u>5,106</u>	<u>23,121</u>

Trade receivables/debtors are assessed for impairment at each balance sheet date, and an impairment loss/provision is recognised if the expected cash flows are less than the carrying amount and an appropriate impairment provision is recognised made when it is probable that the cash due will not be received in full. Included within trade debtors are provisions against bad and doubtful debts of £5.1m (2019: £4.4m).

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

17. TRADE AND OTHER CREDITORS

	2020		2019	
	Group £000	Company £000	Group £000	Company £000
Trade	30,417	260	29,702	228
Group companies	-	820	-	777
Other taxes and social security costs	4,659	35	3,639	43
Other creditors	2,006	-	1,402	-
Accruals	14,300	(227)	8,852	210
	<u>51,382</u>	<u>888</u>	<u>43,595</u>	<u>1,258</u>

Included within accruals are a number of environmental and dilapidations provisions amounting to £1.6m (2019: £1.9m).

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020		2019	
	Group £000	Company £000	Group £000	Company £000
Finance lease obligations	2,341	-	1,431	-
Bank loans	346	-	354	-
Future employee benefits of certain overseas subsidiaries	3,443	-	2,849	-
To group subsidiaries	-	19,512	-	20,323
Other long term creditors	877	-	1,138	-
	<u>7,007</u>	<u>19,512</u>	<u>5,772</u>	<u>20,323</u>

	2020 Company £000	2019 Company £000
Amounts falling due to group subsidiaries:		
In more than one year but less than two years	852	811
In more than two years but less than five years	2,824	2,687
In more than five years	<u>15,836</u>	<u>16,825</u>
	<u>19,512</u>	<u>20,323</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements *(continued)*

19. DEFERRED TAXATION

	Group £000	Company £000
At 1st January 2020	(5,434)	(4,749)
Arising during the year:		
Currency changes	(2)	-
Adjustments in respect of prior periods	(82)	(82)
Income statement	878	472
Other comprehensive income	857	857
At 31st December 2020	<u>(3,783)</u>	<u>(3,502)</u>

The analysis of deferred taxation recognised in the accounts is:

	2020		2019	
	Group £000	Company £000	Group £000	Company £000
Accelerated capital allowances	234	-	(49)	(16)
Tax losses	(260)	-	(329)	-
Fixed asset investments	1,355	(20)	1,012	-
Pension	(3,482)	(3,482)	(4,733)	(4,733)
Other timing differences	<u>(1,630)</u>	<u>-</u>	<u>(1,335)</u>	<u>-</u>
	<u>(3,783)</u>	<u>(3,502)</u>	<u>(5,434)</u>	<u>(4,749)</u>
Included in debtors (note 16)	(5,996)	(3,502)	(7,110)	(4,749)
Included in provision for liabilities on statement of financial position	<u>2,213</u>	<u>-</u>	<u>1,676</u>	<u>-</u>
Undiscounted tax (asset)	<u>(3,783)</u>	<u>(3,502)</u>	<u>(5,434)</u>	<u>(4,749)</u>

The amount of the net reversal of deferred tax expected to occur next year is £Nil (2019: £694,000) relating to the reversal of existing timing differences on pension contributions. Deferred tax has been provided at a rate of 19% (2019: 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. This was not substantively enacted at the balance sheet date and has not been reflected in the measurement of deferred tax balances at the period end. If the group's deferred tax balances at the period end were remeasured at 25% this would result in an increase to the deferred tax asset of £0.7m.

20. SHARE CAPITAL

1st January 2020 and 31st December 2020	Shares	Authorised £000	Allotted, called up & fully paid Shares £000
15% cumulative preference shares of £1 each	2,379,030	2,379	2,111,740
Ordinary shares of 25p each	8,419,392	2,105	4,993,060
"A" ordinary shares of 25p each	6,064,488	<u>1,516</u>	<u>4,993,060</u>
		<u>6,000</u>	<u>4,608</u>

The preference shares carry a dividend of 15% per annum, payable half-yearly at the discretion of the company. The dividend rights are cumulative. The shares carry no votes at meetings unless the dividend thereon is six months or more in arrears or the business of the meeting includes a resolution for the winding up of the company, in which event each holder will be entitled to one vote on a show of hands or one vote per share on a poll. The preference shares are classified as equity as there is no redemption date, there is no redemption at the option of the holder, the company has no obligation to redeem them and the dividends are payable at the discretion of the company. On winding up of the company, the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, £1 per share plus any accrued dividend.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

20. SHARE CAPITAL (continued)

The "A" ordinary shares carry no votes at meetings unless the business of the meeting includes a resolution for the winding up of the company, in which event each holder will be entitled to one vote on a show of hands or one vote per share on a poll. In all other respects the shares rank *pari passu* with the ordinary shares including entitlement to dividends.

The ordinary shares carry full voting and distribution rights.

21. RESERVES

Profit and Loss reserve

The Profit and Loss reserve includes all current and prior year retained profits and losses.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Other non-distributable reserves

This reserve records the historic treatment of the cost of certain assets acquired by a subsidiary resulting in a reserve on consolidation.

22. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

At 31st December, the following future capital expenditure had been authorised by the group (company: nil):

	2020 £000	2019 £000
Contracted	1,415	960
Not contracted	2,882	1,346

(b) Leasing commitments

The group's future minimum operating lease payments are as follows:

	2020 £000	2019 £000
Within one year	1,408	1,284
Between one and five years	3,827	2,595
Later than five years	714	968
	<u>5,949</u>	<u>4,847</u>

Certain plant and machinery and motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

The group's future minimum finance lease payments are as follows:

	Plant and machinery	
	2020 £000	2019 £000
Within one year	875	394
Between one and five years	1,758	665
Later than five years	-	-
	<u>2,633</u>	<u>1,059</u>

(c) Asset backed funding arrangement:

On 17th April 2014, the company entered into an asset backed funding arrangement to provide contributions to the pension scheme of £1.8m per annum commencing in October 2014 and ending in April 2034, the actuarial value of those contributions being £23m.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

23. FINANCIAL ASSETS AND LIABILITIES

The following financial assets and liabilities have been recognised within the Group Statement of Financial Position.

	2020 Group £000	2019 Group £000
Financial assets at fair value through profit and loss		
Listed investments	51,254	53,236
Other investments	14,839	9,152
Forward foreign currency contracts	110	36
Financial liabilities at fair value through profit and loss		
Forward foreign currency contracts	(5)	50

The group purchases forward foreign currency contracts to hedge currency exposure on future commitments. The fair values of the assets and liabilities held at fair value through comprehensive income are determined using quoted prices. Where quoted prices are not available the fair value has been estimated by applying appropriate valuation techniques.

24. PENSION ARRANGEMENTS

The group's main pension scheme for UK employees comprises an active defined contribution section and a closed to future accrual defined benefit section. Other defined contribution schemes operate for employees of acquired UK subsidiaries and certain other overseas subsidiaries.

The pension fund's triennial actuarial valuation at 30th September 2019 showed a surplus of £5.2m. At 31st December 2020, the company's actuarial valuation for accounting purposes showed a deficit of £18.3m. Contributions of £2.3m were made in the year ended 31st December 2020 (2019: £2.3m).

Following the fund's triennial actuarial valuation at 30th September 2019, a schedule of company contributions was not required.

The Asset Backed Funding arrangement (note 22(c)) remains in place.

(a) Change in benefit obligation

	2020 £000	2019 £000
Benefit obligation at beginning of the year	182,911	161,291
Past service cost - provision for GMP equalisation	400	-
Interest	3,642	4,637
Actuarial losses/(gains)	11,351	25,181
Benefits and expenses (paid) from plan	(10,535)	(8,198)
Benefit obligation at end of the year	<u>187,769</u>	<u>182,911</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

24. PENSION ARRANGEMENTS (*continued*)

(b) Change in plan assets

	2020 £000	2019 £000
Fair value of plan assets at beginning of the year	158,646	142,876
Interest income	3,168	4,128
Return on assets excluding interest income	15,863	17,541
Employer contributions	2,300	2,300
Benefits and expenses paid from plan	<u>(10,536)</u>	<u>(8,199)</u>
Fair value of plan assets at end of the year	<u>169,441</u>	<u>158,646</u>

(c) Amounts recognised in the statement of financial position

	2020 £000	2019 £000
Present value of wholly or partly funded obligations	187,769	182,911
Fair value of plan assets	<u>(169,441)</u>	<u>(158,646)</u>
Net liability, before taxation (note 24(f))	<u>18,328</u>	<u>24,265</u>

(d) Components of pension cost

	2020 £000	2019 £000
Amounts recognised in the income statement:		
Past service cost - provision for GMP equalisation	400	-
Net interest cost	<u>475</u>	<u>510</u>
Total expense recognised in the income statement	<u>875</u>	<u>510</u>

Actuarial (loss)/gain immediately recognised in Other Comprehensive Income, before deferred tax	<u>4,599</u>	<u>(7,640)</u>
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Cumulative amount of actuarial losses recognised in Other Comprehensive Income	<u>(74,713)</u>	<u>(79,312)</u>
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(e) Principal actuarial assumptions at 31st December:

	2020	2019
Weighted-average assumptions to determine benefit obligations:		
Discount rate (p.a.)	1.30%	2.05%
RPI inflation (p.a.)	3.00%	3.00%
CPI inflation (p.a.)	2.25%	2.00%
Rate of pension increases		
- RPI minimum 0%, maximum 5%	2.95%	2.95%
- Fixed 5%	5.00%	5.00%
Life expectancy at 65 for male aged 65	22.9 years	23.2 years
Life expectancy at 65 for female aged 65	24.8 years	25 years
Life expectancy at 65 for male aged 45	24.0 years	24.9 years
Life expectancy at 65 for female aged 45	25.9 years	26.5 years

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements *(continued)*

24. PENSION ARRANGEMENTS (continued)

(f) Reconciliation of the statement of financial position

	2020 £000	2019 £000
Gross liability on the statement of financial position at beginning of the year	24,265	18,415
Pension expense recognised in the income statement in the financial year	875	510
Amounts recognised in other comprehensive income in the financial year (including exchange rate movement)	(4,512)	7,640
Actual contributions made by company in the financial year	<u>(2,300)</u>	<u>(2,300)</u>
Gross liability on the statement of financial position at end of the year (note 24(c))	18,328	24,265
Related deferred tax asset (note 19)	<u>(3,482)</u>	<u>(4,733)</u>
Net liability	<u>14,846</u>	<u>19,532</u>

(g) Breakdown of value of assets at 31st December

	2020 £000	2019 £000
Equities	57,942	54,963
Absolute and Real Return funds	23,357	23,233
Absolute Return Bonds funds	-	47,702
Buy and maintain credit	51,303	-
Liability Driven Investment funds	31,515	25,823
Cash and net current assets	<u>5,324</u>	<u>6,925</u>
	<u>169,441</u>	<u>158,646</u>

25. CASH FLOWS FROM OPERATING ACTIVITIES

	2020 £000	2019 £000
Profit for the financial year	30,897	25,905
Adjustments for:		
Amortisation of intangible assets	538	2,189
Depreciation of tangible assets	9,926	8,547
Profit on sale of tangible assets	(2,537)	-
Interest paid	316	246
Interest received	(466)	(639)
Taxation	6,857	7,098
Currency exchange differences	(44)	(1,066)
Change in fair value of investments	2,959	(2,337)
Other finance expense	875	510
Other capital movements	(393)	112
Decrease/(Increase) in stocks	4,940	529
Decrease/(Increase) in trade and other debtors	(3,150)	2,621
(Decrease) in trade and other creditors	9,559	(14,234)
Dividends received	<u>(1,666)</u>	<u>(1,856)</u>
Cash from operations	58,611	27,625
Contributions paid to pension fund	(2,300)	(2,300)
Tax paid	<u>(10,509)</u>	<u>(5,631)</u>
Net cash generated from operating activities	<u>45,802</u>	<u>19,694</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

26. RELATED PARTY DISCLOSURES

Tennants Consolidated Limited is the group's ultimate parent company.

All directors are considered to be key management personnel. Total remuneration in respect of these individuals is £1,946,000 (2019: £1,552,000)

The company has taken advantage of the exemptions available under Financial Reporting Standard 102, section 33, "Related Party Disclosures", not to disclose transactions with wholly owned subsidiary undertakings.

During the year the Group made sales of £105,000 (2019: £31,000) and purchases of £1,397,000 (2019: £1,303,000) to non-wholly owned companies. As at 31 December 2020, trade and other debtors of £755,000 (2019: £1,541,000) were due from non-wholly owned companies and trade and other creditors of £76,000 (2019: £131,000) were due to non-wholly owned companies. A dividend of £104,000 (2019: nil) was received from non-wholly owned companies.

27. POST-BALANCE SHEET EVENT

On the 1st February 2021 the company completed the sale of Tennants Fine Chemicals Limited for proceeds of £37.3m, realising a gain of £19.9m.

The group has been made aware of a potential disposal event post year end. It is estimated that up to £6M could be realised from the sale of certain unlisted investments in 2021. These disposals are outside of the control of the group due to the minority shareholdings. At the date of these financial statements the outcome of any disposal, including the sales price and how this has been derived, remains uncertain.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries

As at 31 December 2020 the group held the whole of the issued share capital of subsidiaries unless otherwise stated. All companies, except the investment companies, are engaged in the chemicals and allied trades.

United Kingdom - active companies

- * Belgrave Contract Management Limited
Arthur House, 41 Arthur Street, Belfast, BT1 4GB
- * BIP (Oldbury) Limited
Tat Bank Road, Oldbury, West Midlands, B69 4NH
- * Charles Tennant & Co. Limited
Craighead, Whistleberry Road, Blantyre, Glasgow, Lanarkshire, G72 0TH
- Charles Tennant & Co. (N.I.) Limited
9 Airport Road West, Belfast, County Antrim, BT3 9ED
- Chemical & Petroleum Investments Limited
12 Upper Belgrave Street, London, SW1X 8BA
- Dalewick Properties Limited
12 Upper Belgrave Street, London, SW1X 8BA
- James M. Brown Limited
Napier Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 4NX
- John C. Walker Limited
Craighead, Whistleberry Road, Blantyre, Glasgow, Lanarkshire, G72 0TH
- * Kestrel Thermoplastics Limited
89 Drumagarner Road, Kilrea, Co Londonderry, BT51 5TE
- Key Organics Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Northern Road Markings Limited
89 Drumagarner Road, Kilrea, Co Londonderry, BT51 5TE
- * Riggott & Co Limited
Unit X Lodge Lane, Tuxford, Newark, Nottinghamshire, NG22 0NL
- * Synthite Limited
Alyn Works, Denbigh Road, Mold, Flintshire, CH7 1BT
- * Synthite (Mold) Limited
Alyn Works, Denbigh Road, Mold, Flintshire, CH7 1BT
- Tennants Distribution Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- Tennants Fine Chemicals Limited
Macclesfield Road, Leek, Staffordshire, ST13 8LD
- Tennants Group Investments Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Tennants (IT) Investments Limited
12 Upper Belgrave Street, London, SW1X 8BA
- Tennants Scottish Limited Partnership
Craighead, Whistleberry Road, Blantyre, Glasgow, Lanarkshire, G72 0TH
- Tennants Textile Colours Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Tennants Ventures Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * TS Resins Limited
Alyn Works, Denbigh Road, Mold, Flintshire, CH7 1BT
- * Walls & Ceilings International Limited
Tything Road, Arden Forest Industrial Estate, Alcester, Warwickshire, B49 6EP

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries (*continued*)

United Kingdom - dormant companies

- * Anderson Gibb & Wilson Limited
Craighead, Whistleberry Road, Blantyre, Glasgow, Lanarkshire, G72 0TH
- * Arrowsped Logistics Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Bionet Research Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Charles Tennant & Co (London) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Dundee Chemicals Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Hugh Gell & Co Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Joseph Crowther Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Key Organics Holdings Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Leek Chemicals Limited
Macclesfield Road, Leek, Staffordshire, ST13 8LD
- * Mark Day Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Tennants (Lancashire) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- Tennants Pension Trustees Limited
12 Upper Belgrave Street, London, SW1X 8BA
- Tennants Tar Distillers & Engineering Supplies Limited
9 Airport Road West, Belfast, County Antrim, BT3 9ED
- * Tennants Trading Chemicals Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- Tennants Warehousing Limited
12 Upper Belgrave Street, London, SW1X 8BA
- Waterloo Nominees Limited
12 Upper Belgrave Street, London, SW1X 8BA
- * Held indirectly

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries (*continued*)

Overseas companies

Brazil

- * Multicel Pigmentos Indústria e Comércio Ltda
Estrada Part. Sadae Takagi, 3300, Bairro Cooperativa, Sao Bernardo Do Campo, Sao Paulo CEP 09852-070, Brazil

Canada

- Charles Tennant & Co. (Canada) Limited
34 Clayson Road, Weston, Ontario, M9M 2G8, Canada

China

- * Tennants Fine Chemicals (Shanghai) Co. Limited
Room 205, No 15, Lane 320, Tianping Road, Shanghai, 200030, China

France

- * Tennants Sarl
Parc des Bellevues, Immeuble le Minnesota, Allée Rosa Luxemburg, F-95610 Eragny, France

Germany

- * Tennants GmbH
Hauptstrasse 81, D-33647, Bielefeld, Germany

Hong Kong

- * TC Investment (Hong Kong) Limited (dormant)
Unit C, 13/F., Go-Up Commercial Building, 998 Canton Road, Kowloon, Hong Kong

Ireland

- * Charles Tennant & Co. (Cork) Limited
Marino Point, Cobh, County Cork, Ireland
- Charles Tennant & Co. (Eire) Limited
Unit 71, Cookstown Industrial Estate, Belgard Road, Dublin 24, D24 VX20, Ireland
- * Irish Tar & Bitumen Suppliers Limited
Alexandra Road, Dublin 1, D01 R5W7, Ireland
- * Marinochem Limited
Marino Point, Cobh, County Cork, P24 X938, Ireland
- * Tennants Building Products Limited
2 Airton Road, Tallaght, Dublin, D24 R89Y, Ireland
- Tennants Consolidated (Ireland) Limited
Alexandra Road, Dublin 1, D01 R5W7, Ireland
- * Tennants Group Treasury Ireland Limited
Alexandra Road, Dublin 1, D01 R5W7, Ireland
- * Tennants Group Investments Ireland Limited
Alexandra Road, Dublin 1, D01 R5W7, Ireland

Italy

- Mifar S.r.l.
Via Valtellina 18/20, 20027 Rescaldina (MI), Italy

Netherlands

- * Charles Tennant B.V.
Mikboomweg 4, 5674 XG Nuenen, Netherlands

Norway

- * Visafo AS (67% of share capital held)
Sandbrekkevegen 81, 5225 Nesttun, Norway

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries (*continued*)

Singapore

- * Tennants Fine Chemicals Limited Pte
163 Tras Street, #03-01, Lian Huat Building, Singapore 079024

USA

- * ESSA Technologies LLC (dormant)
Princeton South Corporate Center, Suite 160, 100 Charles Ewing Blvd, Ewing, NJ 08628 USA
- * Key Organics Inc
41-55 North Road, Suite 100, Bedford, MA 01730 USA
- * Paradigm Science Inc (80% of share capital held)
67 Beaver Avenue, Annandale, NJ 08801, USA
- * TC U.S.A. Inc
251 Little Falls Drive, Wilmington, DE 19808, USA

- * Held indirectly

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Statistical Information

Year	Turnover	Net Profit attributable to Equity shareholders	Adjusted Net Profit attributable to Equity shareholders	Adjusted Net Profit attributable to Equity shareholders per Ordinary Share	Dividends per Ordinary Share
	£000	£000	£000	p	p
2008	346,681	8,621	8,621	83	24
2009	286,767	9,108	9,108	88	24
2010	340,522	12,251	12,251	120	25
2011	409,208	13,386	13,386	131	26
2012	394,080	16,780	16,780	165	27
2013	400,522	14,632	14,632	143	28
2014	413,306	18,611	18,611	183	28
2014*	413,394	19,020	18,933	186	28
2015	373,874	19,998	21,616	213	128
2016	387,306	35,528	22,190	219	29
2017	468,803	28,593	24,975	247	230
2018	509,706	12,861	20,629	203	31
2019	522,140	25,866	22,386	221	45
2020**	512,793	30,478	31,525	313	31

2014* restated under FRS 102

2020** dividends per ordinary share excludes the final dividend for the year ended 31 December 2020, which will be considered and voted on at the AGM.

Adjusted Net Profit attributable to Equity shareholders excludes changes in the market value of fixed asset investments and the associated tax movement.