

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2021

FOR

TENNANTS HOLDINGS LIMITED

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FOR THE YEAR ENDED 30TH NOVEMBER 2021

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TENNANTS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH NOVEMBER 2021

DIRECTOR: J J Curtis

SECRETARY:

REGISTERED OFFICE: Tennant House
Mount Street
New Basford
Nottingham
NG7 7HX

REGISTERED NUMBER: 12304158 (England and Wales)

AUDITORS: Atkinson Evans Limited
Chartered Certified Accountants
The Old Drill Hall
10 Arnot Hill Road
Arnold
Nottingham
Nottinghamshire
NG5 6LJ

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH NOVEMBER 2021

The director presents his strategic report of the company and the group for the year ended 30th November 2021.

REVIEW OF BUSINESS

The director is pleased to report that despite the ongoing COVID 19 pandemic the company successfully increased turnover in line with expectations to £13.3m (2020: £11.6m), whilst maintaining gross margin at an acceptable level of 26.48% (2020: 26.84%). This places the company in a strong position for future expansion and further investment in research and development.

The group's balance sheet also shows a satisfactory position overall, with net assets being maintained at a level required to adequately finance the company £5.0m (2020: £3.7m).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition and supply of raw materials. Competition puts pressure on the gross profit margin, and more recently Brexit and COVID 19 are having an impact on the supply chain. In order to minimise the impact of the inherent risks the directors continue to review pricing and material availability to improve supply chain management, to manage gross margin and reduce the risk of stock shortages.

COVID 19

The COVID 19 pandemic has impacted significant proportions of businesses in the UK. Our colleagues, customers and suppliers have experienced significant disruption with personal and operational challenges. The directors have taken steps to reduce the effect of COVID 19 on the business, as a result the directors consider COVID 19 to be a manageable risk to the company.

INTEREST RATE RISK

The company have no borrowings or finance leases. The directors believe the risk associated with interest rate alterations is not significant to the company.

CREDIT RISK

The company has significant trade debtor balances at any point in time. The directors, assisted by the finance team, keep close control of customer credit limits and use credit insurance to help reduce the credit risk to an acceptable level.

LIQUIDITY RISK

The company maintains adequate cash and bank balances to meet its day to day working capital requirement. The directors view the main risk to liquidity is if the company fails to collect trade debtor balances in a timely fashion. The directors manage this as part of the credit risk procedures by monitoring customer credit, and in turn taking advantage of supplier credit where necessary.

FOREIGN CURRENCY RISK

The company sources some materials from overseas and has some overseas customers. The directors manage foreign currency risk by buying foreign currency in anticipation of requirement. The company does not hold excessive amounts of foreign currency, beyond expected operational use.

INFLATION RISK

The company has experienced some inflationary increases in direct costs towards the end of this financial year. It is expected inflationary pressures will continue in the next financial year. The directors are anticipating inflation rates of between 5% to 7%. Inflation risk is mitigated by regular product sales price adjustments in line with cost price increases.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH NOVEMBER 2021

FUTURE DEVELOPMENT AND PERFORMANCE

The group constantly looks at the products it provides in order to maintain and try to increase market share. The director is focused on improving profitability and efficiencies in the business.

ON BEHALF OF THE BOARD:

J J Curtis - Director

6th June 2022

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30TH NOVEMBER 2021

The director presents his report with the financial statements of the company and the group for the year ended 30th November 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture, design and distribution of number plates and road traffic signs, and the distribution of reflective sheeting.

DIVIDENDS

No dividends will be distributed for the year ended 30th November 2021.

DIRECTOR

J J Curtis held office during the whole of the period from 1st December 2020 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group 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 director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

AUDITORS

The auditors, Atkinson Evans Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J J Curtis - Director

6th June 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TENNANTS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tennants Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th November 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 affairs as at 30th November 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TENNANTS HOLDINGS LIMITED

Matters on which we are required to report by exception

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 Group Strategic Report or the Report of the Director.

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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TENNANTS HOLDINGS LIMITED

Auditors' 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 a Report of the Auditors 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.

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, specifically the carrying value of stock and recoverability of trade debtors.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TENNANTS HOLDINGS LIMITED

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 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.

Jason D Evans FCCA (Senior Statutory Auditor)
for and on behalf of Atkinson Evans Limited
Chartered Certified Accountants
The Old Drill Hall
10 Arnot Hill Road
Arnold
Nottingham
Nottinghamshire
NG5 6LJ

6th June 2022

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2021

		Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
	Notes		
TURNOVER	4	13,280,197	11,627,093
Cost of sales		<u>9,763,427</u>	<u>8,506,614</u>
GROSS PROFIT		3,516,770	3,120,479
Administrative expenses		<u>1,955,189</u>	<u>1,934,250</u>
		1,561,581	1,186,229
Other operating income		<u>7,795</u>	<u>70,693</u>
OPERATING PROFIT	6	1,569,376	1,256,922
Interest receivable and similar income		<u>273</u>	<u>535</u>
PROFIT BEFORE TAXATION		1,569,649	1,257,457
Tax on profit	7	<u>320,383</u>	<u>225,457</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,249,266</u>	<u>1,032,000</u>
Profit attributable to:			
Owners of the parent		<u>1,249,266</u>	<u>1,032,000</u>

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH NOVEMBER 2021

	Notes	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
PROFIT FOR THE YEAR		1,249,266	1,032,000
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,249,266</u>	<u>1,032,000</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,249,266</u>	<u>1,032,000</u>

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)**CONSOLIDATED BALANCE SHEET****30TH NOVEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		685,808		728,607
Investments	12		-		-
			<u>685,808</u>		<u>728,607</u>
CURRENT ASSETS					
Stocks	13	1,698,242		1,137,540	
Debtors	14	2,181,764		2,060,557	
Cash at bank and in hand		<u>2,285,696</u>		<u>1,737,006</u>	
		6,165,702		4,935,103	
CREDITORS					
Amounts falling due within one year	15	<u>1,747,839</u>		<u>1,835,908</u>	
NET CURRENT ASSETS			<u>4,417,863</u>		<u>3,099,195</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,103,671		3,827,802
PROVISIONS FOR LIABILITIES	17		<u>120,381</u>		<u>93,778</u>
NET ASSETS			<u>4,983,290</u>		<u>3,734,024</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,552		2,552
Fair value reserve	19		2,699,472		2,699,472
Retained earnings	19		<u>2,281,266</u>		<u>1,032,000</u>
SHAREHOLDERS' FUNDS			<u>4,983,290</u>		<u>3,734,024</u>

The financial statements were approved by the director and authorised for issue on 6th June 2022 and were signed by:

J J Curtis - Director

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)**COMPANY BALANCE SHEET****30TH NOVEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		<u>2,551</u>		<u>2,551</u>
			2,551		2,551
CURRENT ASSETS					
Debtors	14	1		1	
Cash at bank		<u>1,998,219</u>		<u>1,250,250</u>	
		1,998,220		1,250,251	
CREDITORS					
Amounts falling due within one year	15	<u>13</u>		-	
NET CURRENT ASSETS			<u>1,998,207</u>		<u>1,250,251</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,000,758</u>		<u>1,252,802</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,552		2,552
Retained earnings			<u>1,998,206</u>		<u>1,250,250</u>
SHAREHOLDERS' FUNDS			<u>2,000,758</u>		<u>1,252,802</u>
Company's profit for the financial year			<u>747,956</u>		<u>1,250,250</u>

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

The financial statements were approved by the director and authorised for issue on 6th June 2022 and were signed by:

J J Curtis - Director

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

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

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Changes in equity				
Increase in share capital	2,552	-	-	2,552
Acquisition Account Adjustment	-	-	2,699,472	2,699,472
Total comprehensive income	-	1,032,000	-	1,032,000
Balance at 30th November 2020	2,552	1,032,000	2,699,472	3,734,024
Changes in equity				
Total comprehensive income	-	1,249,266	-	1,249,266
Balance at 30th November 2021	2,552	2,281,266	2,699,472	4,983,290

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

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

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	2,552	-	2,552
Total comprehensive income	-	1,250,250	1,250,250
Balance at 30th November 2020	2,552	1,250,250	1,252,802
Changes in equity			
Total comprehensive income	-	747,956	747,956
Balance at 30th November 2021	2,552	1,998,206	2,000,758

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)**CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH NOVEMBER 2021

		Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	1,067,255	1,755,480
Tax paid		<u>(346,000)</u>	<u>(91,847)</u>
Net cash from operating activities		<u>721,255</u>	<u>1,663,633</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(247,354)	(435,619)
Sale of tangible fixed assets		74,516	73,081
Bank balances acquired with subsidiary		-	435,376
Interest received		<u>273</u>	<u>535</u>
Net cash from investing activities		<u>(172,565)</u>	<u>73,373</u>
Increase in cash and cash equivalents		<u>548,690</u>	<u>1,737,006</u>
Cash and cash equivalents at beginning of year	2	1,737,006	-
Cash and cash equivalents at end of year	2	<u>2,285,696</u>	<u>1,737,006</u>

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2021

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Profit before taxation	1,569,649	1,257,457
Depreciation charges	238,167	207,757
Profit on disposal of fixed assets	(22,530)	(3,416)
Finance income	(273)	(535)
	<u>1,785,013</u>	<u>1,461,263</u>
(Increase)/decrease in stocks	(560,702)	128,961
Increase in trade and other debtors	(121,207)	(189,004)
(Decrease)/increase in trade and other creditors	(35,849)	354,260
Cash generated from operations	<u>1,067,255</u>	<u>1,755,480</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th November 2021

	30.11.21 £	1.12.20 £
Cash and cash equivalents	<u>2,285,696</u>	<u>1,737,006</u>

Period ended 30th November 2020

	30.11.20 £	8.11.19 £
Cash and cash equivalents	<u>1,737,006</u>	<u>-</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.12.20 £	Cash flow £	At 30.11.21 £
Net cash			
Cash at bank and in hand	<u>1,737,006</u>	<u>548,690</u>	<u>2,285,696</u>
	<u>1,737,006</u>	<u>548,690</u>	<u>2,285,696</u>
Total	<u>1,737,006</u>	<u>548,690</u>	<u>2,285,696</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2021

1. STATUTORY INFORMATION

Tennants Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is recognised at fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being amortised evenly over its estimated useful life of nil years.

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, has been fully amortised over its estimated useful life.

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 property	- 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit or loss. Reversals of impairment losses are also recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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.

Pension costs and other post-retirement benefits

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

Leasing

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease, except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the profit in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
United Kingdom	12,391,367	10,754,862
Non UK	888,830	872,231
	<u>13,280,197</u>	<u>11,627,093</u>

5. EMPLOYEES AND DIRECTORS

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Wages and salaries	1,711,631	1,759,278
Social security costs	158,992	141,468
Other pension costs	66,327	64,488
	<u>1,936,950</u>	<u>1,965,234</u>

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

	Year Ended 30.11.21	Period 8.11.19 to 30.11.20
Direct	36	36
Administrative	27	26
	<u>63</u>	<u>62</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 63 (2020 - 62).

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

5. EMPLOYEES AND DIRECTORS - continued

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Director's remuneration	23,267	33,649
Director's pension contributions to money purchase schemes	<u>600</u>	<u>600</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Depreciation - owned assets	238,167	207,757
Profit on disposal of fixed assets	(22,530)	(3,417)
Auditors' remuneration	7,500	7,500
Foreign exchange differences	4,832	2,868
Operating lease charges	72,000	72,000
Government grants received	<u>(7,795)</u>	<u>(70,693)</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Current tax:		
UK corporation tax	293,780	198,968
Adjustment re prior year	-	(23,565)
Total current tax	<u>293,780</u>	<u>175,403</u>
Deferred tax	26,603	50,054
Tax on profit	<u>320,383</u>	<u>225,457</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	Year Ended 30.11.21 £	Period 8.11.19 to 30.11.20 £
Profit before tax	<u>1,569,649</u>	<u>1,257,457</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	298,233	238,917
Effects of:		
Expenses not deductible for tax purposes	(3,666)	4,669
Adjustments to tax charge in respect of previous periods	-	(23,565)
Depreciation on assets not qualifying for tax allowances	482	293
Deferred tax adjustment re change of rates of taxation	<u>25,334</u>	<u>5,143</u>
Total tax charge	<u>320,383</u>	<u>225,457</u>

8. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. **PRIOR YEAR ADJUSTMENT**

The 2020 comparative figures have been amended by the directors to move packaging costs into cost of sales from distribution costs. As a result £505,325 has been moved to cost of sales from distribution costs. This change has been made to align how the costs are reported internally.

This amendment has not changed any of the balance sheet values, nor operating profit for the 2020 comparative figures.

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1st December 2020 and 30th November 2021	<u>12,000</u>
AMORTISATION	
At 1st December 2020 and 30th November 2021	<u>12,000</u>
NET BOOK VALUE	
At 30th November 2021	<u>-</u>
At 30th November 2020	<u>-</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

11. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st December 2020	72,974	1,251,521	239,506
Additions	-	96,353	18,814
Disposals	-	(32,195)	-
At 30th November 2021	<u>72,974</u>	<u>1,315,679</u>	<u>258,320</u>
DEPRECIATION			
At 1st December 2020	5,397	769,306	161,796
Charge for year	1,460	166,734	14,637
Eliminated on disposal	-	(15,772)	-
At 30th November 2021	<u>6,857</u>	<u>920,268</u>	<u>176,433</u>
NET BOOK VALUE			
At 30th November 2021	<u>66,117</u>	<u>395,411</u>	<u>81,887</u>
At 30th November 2020	<u>67,577</u>	<u>482,215</u>	<u>77,710</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st December 2020	174,086	94,030	1,832,117
Additions	110,890	21,297	247,354
Disposals	(82,689)	(1,219)	(116,103)
At 30th November 2021	<u>202,287</u>	<u>114,108</u>	<u>1,963,368</u>
DEPRECIATION			
At 1st December 2020	84,937	82,074	1,103,510
Charge for year	44,797	10,539	238,167
Eliminated on disposal	(47,836)	(509)	(64,117)
At 30th November 2021	<u>81,898</u>	<u>92,104</u>	<u>1,277,560</u>
NET BOOK VALUE			
At 30th November 2021	<u>120,389</u>	<u>22,004</u>	<u>685,808</u>
At 30th November 2020	<u>89,149</u>	<u>11,956</u>	<u>728,607</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1st December 2020
and 30th November 2021

2,551

NET BOOK VALUE

At 30th November 2021
At 30th November 2020

2,551

2,551

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Tennants UK Limited

Registered office: Inside the UK
Nature of business: Manufacturing

	%		
	holding		
	100.00		
Class of shares:		2021	2020
Ordinary		£	£
Aggregate capital and reserves		2,985,082	2,483,772
Profit for the year/period		<u>1,251,460</u>	<u>1,031,999</u>

13. STOCKS

	Group	
	2021	2020
	£	£
Finished goods	<u>1,698,242</u>	<u>1,137,540</u>

At the balance sheet date impairment provisions in respect of stocks amounted to £45,500 (2020: £74,870) and have been charged to the profit and loss account.

14. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,922,233	1,919,904	-	-
Other debtors	1	1,251	1	1
Prepayments and accrued income	<u>211,146</u>	<u>139,402</u>	-	-
	<u>2,133,380</u>	<u>2,060,557</u>	<u>1</u>	<u>1</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

14. **DEBTORS - continued**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due after more than one year:				
Trade debtors	<u>48,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>2,181,764</u>	<u>2,060,557</u>	<u>1</u>	<u>1</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	839,983	871,873	-	-
Tax	146,748	198,968	13	-
Social security and other taxes	56,775	31,440	-	-
VAT	320,347	349,639	-	-
Other creditors	13,506	36,523	-	-
Accrued expenses	<u>370,480</u>	<u>347,465</u>	<u>-</u>	<u>-</u>
	<u>1,747,839</u>	<u>1,835,908</u>	<u>13</u>	<u>-</u>

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	72,000	72,000
Between one and five years	288,000	288,000
In more than five years	<u>72,000</u>	<u>144,000</u>
	<u>432,000</u>	<u>504,000</u>

17. **PROVISIONS FOR LIABILITIES**

	Group	
	2021	2020
	£	£
Deferred tax	<u>120,381</u>	<u>93,778</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

17. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax
	£
Balance at 1st December 2020	93,778
Provided during year	(3,659)
Change in tax rate	30,262
On acquisition	
Balance at 30th November 2021	<u>120,381</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020 as restated
			£	£
2,552	Ordinary	1	<u>2,552</u>	<u>2,552</u>

19. **RESERVES**

Group

	Retained earnings £	Fair value reserve £	Totals £
At 1st December 2020	1,032,000	2,699,472	3,731,472
Profit for the year	<u>1,249,266</u>		<u>1,249,266</u>
At 30th November 2021	<u>2,281,266</u>	<u>2,699,472</u>	<u>4,980,738</u>

Retained earnings

The retained earnings account represents profits and losses retained on consolidation.

Fair value reserve

An accounting reserve which arose on the application of accounting for a business acquisition.

20. **PENSION COMMITMENTS**

	2021 £	2020 £
Defined contribution schemes		
Charge to the profit or loss in respect of defined contribution schemes	<u>66,327</u>	<u>64,488</u>

The companies in the group operate a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH NOVEMBER 2021

21. RELATED PARTY DISCLOSURES

The group has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A not to disclose related party transactions with wholly owned members of its group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Other related parties

	2021	2020
		as restated
	£	£
Purchases	72,000	72,000
Amount due to related party	<u>-</u>	<u>22,088</u>

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director Mr J J Curtis, by virtue of his 100% share ownership.

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