

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020
FOR
TENNANTS HOLDINGS LIMITED

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FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

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TENNANTS HOLDINGS LIMITED

COMPANY INFORMATION **FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020**

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 PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

The director presents his strategic report of the company and the group for the period 8th November 2019 to 30th November 2020.

REVIEW OF BUSINESS

On 30th November 2019 Tennants Holdings Limited acquired 100% of the ordinary share capital of Tennants UK Limited as part of a de-merger of the previous owner of Tennants UK limited.

The director is pleased to report that despite the COVID pandemic, the group achieved sales of £11.6m whilst maintaining gross margin at an acceptable level of 31.2%. This places the group 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the group and the execution of the group'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 always puts pressure on the gross profit margin, and more recently both Brexit and COVID19 are both 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 in order 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 director has taken steps to reduce the effect of COVID 19 on the business, as a result the director considers COVID 19 to be a manageable risk to the group.

INTEREST RATE RISK

The group have no borrowings or finance leases. Therefore interest rate risk is not a significant risk to the group.

CREDIT RISK

The group has significant trade debtor balances at any point in time. The director, 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 group maintains adequate cash and bank balances to meet its day to day working capital requirement. The director views the main risk to liquidity is if the Tennants UK Limited fails to collect trade debtor balances in a timely fashion. The director manages 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 group sources some materials from overseas and has some overseas customers. The director manages foreign currency risk by buying foreign currency in anticipation of when the group will need it. The group do not hold excessive amounts of foreign currency, beyond expected operational use.

GROUP STRATEGIC REPORT
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

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

2nd July 2021

REPORT OF THE DIRECTOR
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

The director presents his report with the financial statements of the company and the group for the period 8th November 2019 to 30th November 2020.

INCORPORATION

The group was incorporated on 8th November 2019 .

PRINCIPAL ACTIVITY

The principal activity of the group in the period 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 period ended 30th November 2020.

DIRECTOR

J J Curtis was appointed as a director on 8th November 2019 and held office during the whole of the period from then to the date of this report.

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

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.

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

REPORT OF THE DIRECTOR
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

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

2nd July 2021

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 period ended 30th November 2020 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 2020 and of the group's profit for the period 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 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 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.

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.

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.

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

21st July 2021

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

	Notes	£	£
TURNOVER	4		11,627,093
Cost of sales			<u>8,001,289</u>
GROSS PROFIT			3,625,804
Distribution costs		505,325	
Administrative expenses		<u>1,934,251</u>	
			<u>2,439,576</u>
			1,186,228
Other operating income			<u>70,693</u>
OPERATING PROFIT	6		1,256,921
Interest receivable and similar income			<u>535</u>
PROFIT BEFORE TAXATION			1,257,456
Tax on profit	7		<u>225,457</u>
PROFIT FOR THE FINANCIAL PERIOD			<u>1,031,999</u>
Profit attributable to:			
Owners of the parent			<u>1,031,999</u>

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

	Notes	£
PROFIT FOR THE PERIOD		1,031,999
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME		<u>1,031,999</u>
FOR THE PERIOD		<u>1,031,999</u>
Total comprehensive income attributable to:		
Owners of the parent		<u>1,031,999</u>

CONSOLIDATED BALANCE SHEET
30TH NOVEMBER 2020

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		-
Tangible assets	10		728,607
Investments	11		-
			<u>728,607</u>
CURRENT ASSETS			
Stocks	12	1,137,540	
Debtors	13	2,060,557	
Cash at bank and in hand		<u>1,737,006</u>	
		4,935,103	
CREDITORS			
Amounts falling due within one year	14	<u>1,835,909</u>	
NET CURRENT ASSETS			<u>3,099,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,827,801
PROVISIONS FOR LIABILITIES	16		<u>93,778</u>
NET ASSETS			<u><u>3,734,023</u></u>
CAPITAL AND RESERVES			
Called up share capital	17		2,552
Fair value reserve	18		2,699,472
Retained earnings	18		<u>1,031,999</u>
SHAREHOLDERS' FUNDS			<u><u>3,734,023</u></u>

The financial statements were approved by the director and authorised for issue on 2nd July 2021 and were signed by:

J J Curtis - Director

COMPANY BALANCE SHEET
30TH NOVEMBER 2020

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		-
Tangible assets	10		-
Investments	11		<u>2,551</u>
			2,551
CURRENT ASSETS			
Debtors	13	1	
Cash at bank		<u>1,250,250</u>	
		<u>1,250,251</u>	
NET CURRENT ASSETS			<u>1,250,251</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,252,802</u>
CAPITAL AND RESERVES			
Called up share capital	17		2,552
Retained earnings			<u>1,250,250</u>
SHAREHOLDERS' FUNDS			<u>1,252,802</u>
Company's profit for the financial year			<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 2nd July 2021 and were signed by:

J J Curtis - Director

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Changes in equity				
Acquisition Account Adjustment	-	-	2,699,472	2,699,472
Total comprehensive income	-	1,031,999	-	1,031,999
Balance at 30th November 2020	-	1,031,999	2,699,472	3,731,471

The notes form part of these financial statements

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

	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

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	1,755,480
Tax paid		<u>(91,847)</u>
Net cash from operating activities		<u>1,663,633</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(435,619)
Sale of tangible fixed assets		73,081
Bank balances acquired with subsidiary		435,376
Interest received		<u>535</u>
Net cash from investing activities		<u>73,373</u>
Increase in cash and cash equivalents		<u>1,737,006</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u>1,737,006</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

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

	£
Profit before taxation	1,257,456
Depreciation charges	207,757
Profit on disposal of fixed assets	(3,416)
Finance income	(535)
	<u>1,461,262</u>
Decrease in stocks	128,961
Increase in trade and other debtors	(189,004)
Increase in trade and other creditors	<u>354,261</u>
Cash generated from operations	<u><u>1,755,480</u></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:

Period ended 30th November 2020

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

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

	At 8.11.19 £	Cash flow £	On acquisition £	At 30.11.20 £
Net cash				
Cash at bank and in hand	-	<u>1,301,630</u>	<u>435,376</u>	<u>1,737,006</u>
	-	<u>1,301,630</u>	<u>435,376</u>	<u>1,737,006</u>
Total	<u><u>-</u></u>	<u><u>1,301,630</u></u>	<u><u>435,376</u></u>	<u><u>1,737,006</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

Taxation

Taxation for the period 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

2. **ACCOUNTING POLICIES - continued**

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 period 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.

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:

	£
United Kingdom	10,754,862
Non UK	872,231
	<u>11,627,093</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

5. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	1,759,278
Social security costs	141,468
Other pension costs	64,488
	<u>1,965,234</u>

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

Direct	36
Administrative	26
	<u>62</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 62 .

	£
Director's remuneration	33,649
Director's pension contributions to money purchase schemes	<u>600</u>

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

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

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

	£
Depreciation - owned assets	207,757
Profit on disposal of fixed assets	(3,417)
Auditors' remuneration	7,500
Foreign exchange differences	2,868
Operating lease charges	72,000
Government grants received	<u>(70,693)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

7. **TAXATION**

Analysis of the tax charge

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

	£
Current tax:	
UK corporation tax	198,968
Adjustment re prior year	<u>(23,565)</u>
Total current tax	175,403
Deferred tax	<u>50,054</u>
Tax on profit	<u>225,457</u>

Reconciliation of total tax charge included in profit and loss

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

	£
Profit before tax	<u>1,257,456</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	238,917
Effects of:	
Expenses not deductible for tax purposes	4,669
Adjustments to tax charge in respect of previous periods	(23,565)
Depreciation on assets not qualifying for tax allowances	293
Deferred tax adjustment re change of rates of taxation	<u>5,143</u>
Total tax charge	<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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

9. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
Reclassification/transfer	12,000
At 30th November 2020	12,000
AMORTISATION	
Reclassification/transfer	12,000
At 30th November 2020	12,000
NET BOOK VALUE	
At 30th November 2020	-

10. **TANGIBLE FIXED ASSETS**

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
Additions	3,500	333,081	4,930
Disposals	-	(128,626)	(10,608)
Reclassification/transfer	69,474	1,047,066	245,184
At 30th November 2020	72,974	1,251,521	239,506
DEPRECIATION			
Charge for period	1,459	133,632	13,607
Eliminated on disposal	-	(124,928)	(10,608)
Reclassification/transfer	3,938	760,602	158,797
At 30th November 2020	5,397	769,306	161,796
NET BOOK VALUE			
At 30th November 2020	67,577	482,215	77,710

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

10. **TANGIBLE FIXED ASSETS - continued**

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
Additions	87,566	6,542	435,619
Disposals	(113,751)	(6,074)	(259,059)
Reclassification/transfer	200,271	93,562	1,655,557
At 30th November 2020	<u>174,086</u>	<u>94,030</u>	<u>1,832,117</u>
DEPRECIATION			
Charge for period	46,000	13,059	207,757
Eliminated on disposal	(47,785)	(6,074)	(189,395)
Reclassification/transfer	86,722	75,089	1,085,148
At 30th November 2020	<u>84,937</u>	<u>82,074</u>	<u>1,103,510</u>
NET BOOK VALUE			
At 30th November 2020	<u>89,149</u>	<u>11,956</u>	<u>728,607</u>

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
Additions	<u>2,551</u>
At 30th November 2020	<u>2,551</u>
NET BOOK VALUE	
At 30th November 2020	<u>2,551</u>

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	
Class of shares:	100.00	
Ordinary		2020
		£
Aggregate capital and reserves		2,483,772
Profit for the period		<u>1,031,999</u>

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

11. **FIXED ASSET INVESTMENTS - continued**

12. **STOCKS**

	Group
	£
Finished goods	<u>1,137,540</u>

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

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	Company
	£	£
Trade debtors	1,919,904	-
Other debtors	1,251	1
Prepayments and accrued income	<u>139,402</u>	<u>-</u>
	<u>2,060,557</u>	<u>1</u>

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

	Group
	£
Trade creditors	871,874
Tax	198,968
Social security and other taxes	31,440
VAT	349,639
Other creditors	36,523
Accrued expenses	<u>347,465</u>
	<u>1,835,909</u>

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

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

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

16. **PROVISIONS FOR LIABILITIES**

	Group
	£
Deferred tax	<u>93,778</u>
Group	
	Deferred tax
	£
Provided during period	44,910
Change in tax rate	5,144
On acquisition	<u>43,724</u>
Balance at 30th November 2020	<u>93,778</u>

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
2,552	Ordinary	£1	<u>2,552</u>

On 8th November 2019 the company issued 1 ordinary share at par value on incorporation.

On 30th November 2019 the company issued 2551 ordinary shares in a share for share exchange to acquire 100% of the ordinary shares in Tennants UK Limited.

18. **RESERVES**

Group			
	Retained earnings	Fair value reserve	Totals
	£	£	£
Profit for the period	1,031,999		1,031,999
Acquisition Account Adjustment	-	2,699,472	2,699,472
At 30th November 2020	<u>1,031,999</u>	<u>2,699,472</u>	<u>3,731,471</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

19. **PENSION COMMITMENTS**

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

20. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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

Other related parties

	£
Purchases	72,000
Amount due to related party	<u>22,088</u>

21. **ULTIMATE CONTROLLING PARTY**

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

TENNANTS HOLDINGS LIMITED (REGISTERED NUMBER: 12304158)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8TH NOVEMBER 2019 TO 30TH NOVEMBER 2020

22. **BUSINESS ACQUISITIONS**

Acquisition of Tennants UK Limited

On 30th November 2019 Tennants Holdings Limited acquired 100% of the ordinary share capital of Tennants UK Limited.

The below represents the assets acquired by the group:

			Book Value	Fair Value
	£	£		
Assets				
Intangible assets			-	-
Tangible assets			570,409	570,409
			-----	-----
			570,409	570,409
Stocks			1,266,501	1,266,501
Debtors			1,871,553	1,871,553
Cash at band			435,376	435,376
			-----	-----
Total assets			4,143,839	4,143,839
Liabilities				
Due within one year			(1,398,092)	(1,398,092)
Deferred tax			(43,724)	(43,724)
			-----	-----
Net assets			2,702,023	2,702,023
			=====	=====

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