

00250915

TENNANTS CONSOLIDATED LIMITED

Report and Financial Statements

31st December 2021

TENNANTS CONSOLIDATED LIMITED

Directors	William Paul Alexander (<i>Chairman</i>) Paul Colin Hancock Duncan James Alexander Jonathan Harry Cartwright (<i>retired May 2022</i>) Michael Gary Hughes Timothy Griffiths Robert Alexander Peden Sean William Sloan (<i>appointed April 2021</i>) Jane Bronwen Moriarty (<i>appointed January 2022</i>) Timothy Sydney William Glenn (<i>appointed May 2022</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	Hannah Clare Gibson
Registered Office	35 Queen Anne Street, London W1G 9HZ
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 2021, 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 key results are:

	2021	2020
Operating profit	£38,211,000	£38,979,000
Group profit before taxation	£51,407,000	£37,754,000
Net profit attributable to shareholders	£44,541,000	£30,478,000
Adjusted net profit attributable to shareholders*	£34,085,000	£31,525,000

* Excludes profits, fair value adjustments and the associated tax movements arising from the sale of investments.

Analysis of the performance during the year

On 1st February 2021, the group disposed of Tennants Fine Chemicals Limited for proceeds of £37.3m generating a profit on disposal of £7.5m, which is excluded from adjusted net profit attributable to shareholders.

Excluding Tennants Fine Chemicals, turnover in 2021 increased by £95.6m (21.3%) to £544.7m. Operating profits excluding Tennants Fine Chemicals increased by £3.1m (9.1%) to £38.1m. Net profit attributable to shareholders of £44.5m is £14m higher than that recorded in 2020, largely due to the profit on the sale of Tennants Fine Chemicals and an increase in the fair value of listed investments of £1.8m (2020: decrease £3m). The taxation charge in the year changed in line with underlying profits. Stocks have increased by £16.6m to £75.3m as a result of price inflation experienced across the group's operations.

On 1st October 2021, the group paid a special dividend for the year ended 31 December 2020 of 400.00p per Ordinary share and 400.00p per "A" Ordinary share.

Principal risks and uncertainties facing the group

Primary market risk

Approximately 52% (2020: 47%) of group sales are made in the UK, therefore the uncertainty arising from the UK economy is considered a principal risk. This market risk is mitigated due to the long-term relationships the group maintains with its suppliers and customers.

Global disruption risk

The Directors have assessed the risks arising from global disruption (including COVID 19, the Russia / Ukraine conflict and inflationary pressures) 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 that 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.

TENNANTS CONSOLIDATED LIMITED

Strategic Report (*continued*)

Legal & regulatory risk

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 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.

Financial instruments

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

Investment risk

The group has exposure to investment risk on the value of its investment portfolios. 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 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 UK. 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.

TENNANTS CONSOLIDATED LIMITED

Strategic Report (*continued*)

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 in the year under review 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.

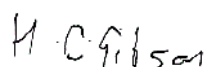
The potential impact of decisions on stakeholders are considered whilst having regard to other factors, including the impact of the group's operations on the environment.

Key performance indicators

The Directors assess the group's performance by reference to the operating profit, group profit before taxation, net profit attributable to shareholders, and adjusted 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 Board 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.

By order of the Board,



Mrs H. C. Gibson
Secretary

35 Queen Anne Street,
London, W1G 9HZ
27th May 2022

TENNANTS CONSOLIDATED LIMITED

Directors' Report

The Directors present their report for the year ended 31st December 2021.

Directors

The Directors listed on page 1 have held office during the period since the last Annual General Meeting, with the exception of Mrs J. B. Moriarty who was appointed to the Board in January 2022 and Mr T. S. W. Glenn who was appointed to the Board in May 2022.

Mr J. H. Cartwright retired from the Board in May 2022. The Board offer their appreciation and thanks for his dedicated service.

The Directors retiring by rotation are Mr W.P. Alexander, Mr D. J. Alexander and Mr P. C. Hancock who offer themselves for re-election at this year's Annual General Meeting by the shareholders. Shareholders will be asked to confirm the appointment of Mrs J. B. Moriarty and Mr T. S. W. Glenn.

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

Dividends

An interim dividend for the year ended 31 December 2021 of 34.13p per Ordinary share, 34.13p per Ordinary "A" share and 0.075p per Preference share was declared by the Board on 31 March 2022. The interim dividend was paid to shareholders on 6 April 2022.

The final dividend for the year ended 31 December 2021 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 3 to the financial statements details the amount spent on research and development in the year under review.

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 can be found in the S172(1) statement provided in the Strategic Report.

TENNANTS CONSOLIDATED LIMITED

Directors' Report (*continued*)

Equality

The group supports the Equality Act 2010 when considering employment applications and in respect of existing employees. It is the group's policy, wherever practicable, to offer employment and/or to continue employment under normal terms and conditions, and to provide relevant training, career development and support to all employees.

Donations

In the year under review, group donations to UK charitable organisations amounted to £36,350 (2020: £32,700).

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:

	2021	2020
UK energy use (kWh)	56,099,338	128,027,731
Associated Greenhouse gas emissions (tCO ₂ e)	12,586	26,305
Intensity ratio (Revenue earned per tCO ₂ e, £M / tCO ₂ e)	20.44	8.57

UK energy use covers the activities of Charles Tennant & Co. (N.I.) Limited, Synthite Limited and Tennants Distribution Limited. 2020 UK energy use included Tennants Fine Chemicals Limited.

UK energy use and associated greenhouse gases have been calculated by applying the methodology and conversion factors published by the Department for Business, Energy & Industrial Strategy.

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 continued uncertain economic outlook.

To assess the potential impact of ongoing global disruption on the group, 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 revenue 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*)

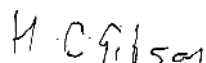
Subsequent events

In March 2022, as a consequence of a local regeneration plan, the group disposed of certain land and buildings for proceeds of £14.5m. Alongside this, the business successfully relocated to a larger site in the same area.

Auditors

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

By order of the Board,



Mrs H. C. Gibson
Secretary

35 Queen Anne Street,
London, W1G 9HZ
27th May 2022

TENNANTS CONSOLIDATED LIMITED

Directors' Responsibilities Statement

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 Financial Reporting Standard 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.

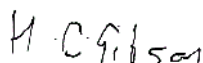
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Disclosure of information to auditors

The Directors confirm that:

- so far as each director is aware, there is no relevant audit 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.

By order of the Board



Mrs H. C. Gibson
Secretary

35 Queen Anne Street,
London, W1G 9HZ
27th May 2022

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 2021 which comprise the Group income statement, Group statement of comprehensive income, Group and Company statements of financial position, Group and Company statements of changes in equity, 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 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 '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 assessment of the forecast cash flows, levels of cash reserves and liquid assets, which include listed investments.

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 Russia Ukraine conflict 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.

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.

TENNANTS CONSOLIDATED LIMITED

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

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.

Matters 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.

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.

TENNANTS CONSOLIDATED LIMITED

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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 8, 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).

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: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and the 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 statement, 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.

TENNANTS CONSOLIDATED LIMITED

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

- 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 interpret those rules and the applicable statutory provision.
- The team communications in respect of potential non-compliance with laws and regulations and fraud including 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.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Handwritten signature of Sergio Cardoso in black ink, followed by the text "UK LLP" in a smaller font.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
27th May 2022

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group income statement for the year ended 31st December 2021

	<i>Notes</i>	2021 £000	2020* £000
TURNOVER	2	549,894	512,793
Cost of sales		<u>(416,647)</u>	<u>(380,231)</u>
GROSS PROFIT		133,247	132,562
Administrative expenses		(96,361)	(95,446)
Other operating income		1,325	1,863
		<u></u>	<u></u>
OPERATING PROFIT	3	38,211	38,979
Profit on disposal of operations	25	7,528	-
Share of profit for the year from joint ventures and associates	14(b)	524	393
Income and fair value movement of fixed asset investments	6	<u>5,365</u>	<u>(1,293)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		51,628	38,079
Interest receivable and similar income	7	214	466
Interest payable and similar charges	8	(211)	(316)
Other finance expense	24(d)	<u>(224)</u>	<u>(475)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		51,407	37,754
Tax on profit on ordinary activities	9(a)	<u>(7,287)</u>	<u>(6,857)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>44,120</u>	<u>30,897</u>
Profit for the financial year attributable to:			
Owners of the parent		44,541	30,478
Minority interest		(421)	419

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

* The format of the group income statement has been re-presented in the year (Note 1(b)).

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Group statement of comprehensive income for the year ended 31st December 2021

	Notes	2021 £000	2020 £000
PROFIT FOR THE FINANCIAL YEAR		44,120	30,897
Currency translation		(3,981)	600
Other comprehensive income for the year, net of tax		55	-
Income recognised for the year prior to pension adjustments		40,194	31,497
Actuarial gain on defined benefit pension scheme before tax	24(d)	13,686	4,599
Deferred tax on actuarial movement on defined benefit pension scheme	19	(3,422)	(857)
Actuarial gain on defined benefit pension scheme after tax		10,264	3,742
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		50,458	35,239
Total comprehensive income for the financial year attributable to:			
Owners of the parent		50,863	34,820
Minority interest		(405)	419

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

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Statements of financial position at 31st December 2021

	Notes	2021		2020	
		Group £000	Company £000	Group £000	Company £000
FIXED ASSETS					
Intangible assets	12	2,919	-	4,339	-
Tangible assets	13	54,330	62	55,901	105
Investments:					
Listed investments	14(a)	52,571	-	51,254	-
Other investments	14(b)	13,310	-	14,839	-
Subsidiaries	14(c)	-	40,035	-	54,605
		<u>123,130</u>	<u>40,097</u>	<u>126,333</u>	<u>54,710</u>
CURRENT ASSETS					
Stocks	15	75,339	-	58,691	-
Debtors	16	112,054	25,886	104,609	30,524
Cash at bank and in hand		<u>95,419</u>	<u>20,056</u>	<u>110,223</u>	<u>5,020</u>
		282,812	45,942	273,523	35,544
CREDITORS: Amounts falling due within one year	17	<u>(69,754)</u>	<u>(1,190)</u>	<u>(52,633)</u>	<u>(888)</u>
NET CURRENT ASSETS		<u>213,058</u>	<u>44,752</u>	<u>220,890</u>	<u>34,656</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		336,188	84,849	347,223	89,366
CREDITORS: Amounts falling due after more than one year	18	(8,612)	(18,660)	(7,007)	(19,512)
PROVISION FOR LIABILITIES	19	<u>(3,195)</u>	<u>-</u>	<u>(2,213)</u>	<u>-</u>
NET ASSETS BEFORE PENSION LIABILITY		324,381	66,189	338,003	69,854
PENSION LIABILITY	24(f)	<u>(2,566)</u>	<u>(2,566)</u>	<u>(18,328)</u>	<u>(18,328)</u>
NET ASSETS		<u>321,815</u>	<u>63,623</u>	<u>319,675</u>	<u>51,526</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>315,771</u>	<u>58,479</u>	<u>313,099</u>	<u>46,382</u>
FUNDS ATTRIBUTABLE TO MEMBERS OF THE PARENT		321,815	63,623	319,143	51,526
Minority interest		<u>-</u>	<u>-</u>	<u>532</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS		<u>321,815</u>	<u>63,623</u>	<u>319,675</u>	<u>51,526</u>

The Company's profit for the year was £48,320,000 (2020: £11,231,000).

The financial statements were approved by the Board of Directors and authorised for issue on 27th May 2022 and were signed on its behalf by:

Paul Alexander

Director W P Alexander

Sean Sloan

Director S W Sloan

Company registration number: 00250915

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 2021

	Called up share capital	Capital redemption reserve	Other non- distributable reserves	Profit and loss account	Amount attributable to owners of the parent £000	Minority interests £000	Total shareholders' funds £000
At 1st January 2020	4,608	536	900	283,073	289,117	113	289,230
Profit for the year	-	-	-	30,478	30,478	419	30,897
Other comprehensive income	-	-	-	4,342	4,342	-	4,342
Total comprehensive income for the year	-	-	-	34,820	34,820	419	35,239
Dividends declared and approved	-	-	-	(4,794)	(4,794)	-	(4,794)
As at 31st December 2020	4,608	536	900	313,099	319,143	532	319,675
Profit for the year	-	-	-	44,541	44,541	(421)	44,120
Other comprehensive income	-	-	-	6,322	6,322	16	6,338
Total comprehensive income for the year	-	-	-	50,863	50,863	(405)	50,458
Purchase of minority interest	-	-	-	(1,625)	(1,625)	(127)	(1,752)
Dividends approved and paid	-	-	-	(46,566)	(46,566)	-	(46,566)
As at 31st December 2021	4,608	536	900	315,771	321,815	-	321,815

Company statement of changes in equity for the year ended 31st December 2021

	Called up Share Capital £000	Capital Redemption Reserve £000	Other Non- Distributable Reserves £000	Profit and Loss Account £000	Amount attributable to shareholders £000
At 1st January 2020	4,608	536	-	36,203	41,347
Profit for the year	-	-	-	11,231	11,231
Other comprehensive income	-	-	-	3,742	3,742
Total comprehensive income for the year	-	-	-	14,973	14,973
Dividends declared and approved	-	-	-	(4,794)	(4,794)
As at 31st December 2020	4,608	536	-	46,382	51,526
Profit for the year	-	-	-	48,320	48,320
Other comprehensive income	-	-	-	10,343	10,343
Total comprehensive income for the year	-	-	-	58,663	58,663
Dividends approved and paid	-	-	-	(46,566)	(46,566)
As at 31st December 2021	4,608	536	-	58,479	63,623

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 2021

	Notes	2021 £000	2020 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	26	6,001	45,802
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		214	466
Purchase of listed and unlisted investments		(5,051)	(7,910)
Investments in joint ventures and associates		(1)	(4,979)
Purchase of intangible fixed assets		(508)	(272)
Purchase of tangible fixed assets		(16,714)	(12,807)
Sale of business operations, net of cash disposed of	25	32,906	-
Proceeds from the sale of listed and unlisted investments		9,012	6,509
Proceeds and deferred income from property sales		7,250	2,836
Proceeds from the sale of tangible fixed assets		355	389
Dividends and interest received from investments		1,891	1,666
		<u>29,354</u>	<u>(14,102)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(211)	(316)
Purchase of minority interest		(1,752)	-
Dividends paid to preference shareholders		(317)	(317)
Dividends paid to equity shareholders		(46,249)	(4,477)
		<u>(48,529)</u>	<u>(5,110)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(13,174)	26,590
Foreign exchange translation adjustment		(2,426)	761
Cash and cash equivalents at 1st January		<u>110,219</u>	<u>82,868</u>
CASH, CASH EQUIVALENTS AND OVERDRAFTS AT 31ST DECEMBER		<u>94,619</u>	<u>110,219</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

a) Statement of compliance

Tennants Consolidated Limited is a private company limited by shares and is incorporated in England. The Registered Office is 35 Queen Anne Street, London, W1G 9HZ (registered number 00250915).

b) 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. The prior year Group income statement has been re-presented in the current year to separately disclose Cost of sales, Gross profit, Administrative expenses, Other operating income and Share of profit for the year from joint ventures and associates. All information re-presented was available within the Notes to the Financial Statements for the year ended 31 December 2020. The additional cost and income items re-presented were previously included in Operating costs.

c) 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 and cash flow, and liquidity 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 continued uncertain economic outlook.

The uncertainty as to the future impact on the group from global disruption (including COVID 19, the Russia / Ukraine conflict and inflationary pressures) has been considered as part of the group's adoption of the going concern basis.

To assess the potential impact of ongoing global disruption on the group, 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 revenue 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.

d) 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.

TENNANTS CONSOLIDATED LIMITED

Notes to the Financial Statements (*continued*)

d) Basis of consolidation (*continued*)

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.

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 are 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.

e) 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 statement of financial position 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)).

f) 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*)

g) 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.

h) 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.

i) Research and development

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

j) 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.

k) 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*)

l) 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 life. 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.

m) 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.

n) 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 |

o) 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 useful economic life of the asset. 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.

p) 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*)

q) Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. 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.

r) 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.

s) 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".

t) 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.

u) 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.

v) 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*)

w) 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.

x) 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.

y) 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:	2021	2020
	£000	£000
Sales by UK companies:		
home	285,840	241,291
export	63,090	101,616
Sales by overseas companies	200,964	169,886
	<u>549,894</u>	<u>512,793</u>

3. OPERATING PROFIT

This is stated after charging/(crediting):	2021	2020
	£000	£000
Auditors' remuneration		
Grant Thornton UK LLP and Associates		
Audit of the company financial statements	57	46
Audit of the subsidiary financial statements	236	270
Tax compliance services	17	15
Audit related assurance services	10	18
Non-audit services	3	3
Corporate finance services	73	122
Other Auditors		
Audit of the subsidiary financial statements	235	218
Tax compliance services	61	60
Non-audit services	101	49
Research and development	519	309
Operating lease rentals	1,814	1,946
Amortisation of intangible fixed assets	1,317	538
Depreciation of tangible fixed assets	9,041	9,926
Profit on sale of freehold property	-	(2,380)
Exchange differences	294	73

4. EMPLOYEES

Staff costs consist of:	2021	2020
	£000	£000
Wages and salaries	46,416	48,577
Social security costs	5,796	6,274
Pension costs	3,403	3,648
Past service costs	-	400
	<u>55,615</u>	<u>58,899</u>

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

	Number	Number
Management and administration	261	271
Distribution and sales	334	345
Production	549	612
	<u>1,144</u>	<u>1,228</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

5. DIRECTORS' REMUNERATION

	2021 £000	2020 £000
Directors' emoluments	1,727	1,946
Directors' fees	<u>8</u>	<u>8</u>
	<u>1,735</u>	<u>1,954</u>

There were five Directors in the group's defined contribution pension scheme in the year under review (2020: four). The cost of providing those benefits was £64,000 (2020: £54,000). No Director accrued benefits under the group's defined benefit pension scheme during the year.

Emoluments of the highest paid Director were £490,000 (2020: £380,000).

6. INCOME FROM FIXED ASSET INVESTMENTS

	2021 £000	2020 £000
Dividend and interest income from listed investments	1,606	1,666
Profit on sale of investments	1,966	-
Increase/(decrease) in fair value of fixed asset investments	<u>1,793</u>	<u>(2,959)</u>
	<u>5,365</u>	<u>(1,293)</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest on short term loans and deposits	<u>214</u>	<u>466</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £000	2020 £000
Interest payable on bank overdrafts	<u>211</u>	<u>316</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

9. TAXATION

(a) Tax on profit on ordinary activities:

	2021 £000	2020 £000
UK corporation tax:		
UK corporation tax on profits for the year	4,409	3,667
Adjustments in respect of prior years	77	(314)
Double taxation relief	61	59
	<u>4,547</u>	<u>3,412</u>
Foreign tax:		
Current tax	2,092	2,689
Adjustments in respect of prior years	2	(122)
	<u>2,094</u>	<u>2,567</u>
Total current tax	6,641	5,979
Deferred tax:		
Origination and reversal of timing differences	1,159	1,670
Adjustments in respect of prior years	96	(422)
Changes in tax rates	(609)	(370)
	<u>7,287</u>	<u>6,857</u>

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

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>51,407</u>	<u>37,754</u>
Profit on ordinary activities multiplied by the tax rate of 19% (2020:19%)	9,767	7,173
Effect of:		
Expenses not deductible for tax purposes	243	1,561
Adjustments in respect of prior years	176	(858)
Difference in overseas tax rates	(786)	(482)
Remeasurement of deferred tax - change in tax rates	(609)	(373)
Capital gains (effects of indexation, rebasing etc)	(17)	(14)
Disposal of a subsidiary	(1,618)	-
Accounting profit on chargeable assets	66	316
Brought forward losses	163	(307)
Research allowances	(98)	(159)
	<u>7,287</u>	<u>6,857</u>

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is a loss of £3,422,000 (2020: loss £857,000).

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 £48,320,000 (2020: £11,231,000) has been dealt with in the financial statements of the company.

11. DIVIDENDS

	2021 £000	2020 £000
Interim dividend for the year ended 31st December 2020, paid on 6th April 2021: 31.28p (2020: 22.69p) per Ordinary and "A" Ordinary share	3,124	2,266
Special dividend for the year ended 31st December 2020, paid on 1st October 2021: £4.00 (2020: nil) per share	39,944	-
Final dividend for the year ended 31st December 2020, paid on 1st October 2021: 31.86p (2020: 22.14p) per Ordinary and "A" Ordinary share	<u>3,181</u>	<u>2,211</u>
	46,249	4,477
Dividends on preference shares	<u>317</u>	<u>317</u>
	<u>46,566</u>	<u>4,794</u>

An interim dividend for the year ended 31 December 2021 of 34.13p per Ordinary share, 34.13p per Ordinary "A" share and 0.075p per Preference share was declared by the Board on 31st March 2022. The interim dividend was paid to shareholders on 6th April 2022.

The final dividend for the year ended 31 December 2021 will be considered and voted upon at the AGM scheduled for 7th July 2022.

12. INTANGIBLE FIXED ASSETS

	Goodwill £000	Patents & other £000	Total £000
Cost or valuation:			
At 1st January	26,109	8,517	34,626
Additions	-	508	508
Disposals	<u>(4,395)</u>	<u>(621)</u>	<u>(5,016)</u>
At 31st December 2021	<u>21,714</u>	<u>8,404</u>	<u>30,118</u>
Amortisation:			
At 1st January	24,051	6,236	30,287
Disposals	<u>(4,273)</u>	<u>(132)</u>	<u>(4,405)</u>
Provided during the year (note 3)	<u>784</u>	<u>533</u>	<u>1,317</u>
At 31st December 2021	<u>20,562</u>	<u>6,637</u>	<u>27,199</u>
Net book value			
At 31st December 2021	<u>1,152</u>	<u>1,767</u>	<u>2,919</u>
At 31st December 2020	<u>2,058</u>	<u>2,281</u>	<u>4,339</u>

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 2021	44,490	163,866	10,475	218,831
Currency changes	(1,089)	(3,117)	(46)	(4,252)
Re-classification	(490)	-	-	(490)
Additions	4,377	11,088	1,249	16,714
Disposals	(2,192)	(19,703)	(922)	(22,817)
At 31st December 2021	<u>45,096</u>	<u>152,134</u>	<u>10,756</u>	<u>207,986</u>
Depreciation				
At 1st January 2021	21,999	133,878	7,053	162,930
Currency changes	(405)	(2,652)	(25)	(3,082)
Re-classification	(360)	-	-	(360)
Provided during the year (note 3)	2,021	5,470	1,550	9,041
Disposals	(1,299)	(12,720)	(854)	(14,873)
At 31st December 2021	<u>21,956</u>	<u>123,976</u>	<u>7,724</u>	<u>153,656</u>
Net book value				
At 31st December 2021	<u>23,140</u>	<u>28,158</u>	<u>3,032</u>	<u>54,330</u>
At 31st December 2020	<u>22,491</u>	<u>29,988</u>	<u>3,422</u>	<u>55,901</u>

Plant and machinery with a carrying value of £1,478,000 (2020: £1,465,000) and motor vehicles with a carrying value of £nil (2020: £nil) are held under finance leases. During the year an investment property was reclassified to other investments.

The net book value of land and buildings comprises:

	2021 £000	2020 £000
Freehold	19,920	20,117
Long leasehold	<u>3,220</u>	<u>2,374</u>
	<u>23,140</u>	<u>22,491</u>

COMPANY

	Land & buildings £000	Plant & machinery £000	Vehicles £000	Total £000
Cost				
At 1st January 2021	119	239	103	461
Additions	-	8	-	8
Disposals	-	(43)	-	(43)
At 31st December 2021	<u>119</u>	<u>204</u>	<u>103</u>	<u>426</u>
Depreciation				
At 1st January 2021	33	220	103	356
Provided during the year	40	12	-	52
On disposal	-	(44)	-	(44)
At 31st December 2021	<u>73</u>	<u>188</u>	<u>103</u>	<u>364</u>
Net book value				
At 31st December 2021	<u>46</u>	<u>16</u>	<u>-</u>	<u>62</u>
At 31st December 2020	<u>86</u>	<u>19</u>	<u>-</u>	<u>105</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 2021	51,254
Currency changes	14
Change in fair value	1,874
Additions	5,051
Disposals	(5,622)
At 31st December 2021	<u>52,571</u>
Analysis	Group £000
At 31st December 2021	
Listed on the London Stock Exchange	37,099
Listed outside Great Britain (mainly North America)	<u>15,472</u>
	<u>52,571</u>
At 31st December 2020	
Listed on the London Stock Exchange	32,528
Listed outside Great Britain (mainly North America)	<u>18,726</u>
	<u>51,254</u>

Deferred tax amounting to £2,014,000 (2020: £1,143,000) has been provided for in these financial statements on the realisable value of these investments at 31st December 2021.

(b) Other investments	Unlisted investments £000	Joint ventures £000	Associates £000	Other £000	Total £000
As at 1st January 2021	3,353	5,201	5,014	1,271	14,839
Currency changes	-	93	-	(6)	87
Reclassification	-	-	-	130	130
Additions	500	-	1	-	501
Change in fair value and other movements	(505)	(396)	-	380	(521)
Share of profit	-	874	(350)	-	524
Dividends received	-	(287)	-	-	(287)
Disposals	<u>(1,924)</u>	<u>-</u>	<u>-</u>	<u>(39)</u>	<u>(1,963)</u>
At 31st December 2021	<u>1,424</u>	<u>5,485</u>	<u>4,665</u>	<u>1,736</u>	<u>13,310</u>

Other investments include minority stakes acquired in UK unlisted companies. During the year the group disposed of a minority holding in an investment for cash proceeds of £3.4m and £0.5m in shares which represents a £2m gain on disposal.

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	Company £000
At 1st January 2021	54,605
Additions	3,889
Disposals	(17,159)
Capital reduction	(300)
Impairment	(1,000)
At 31st December 2021	<u>40,035</u>

A list of the company's subsidiaries is included on pages 38 to 41 of these financial statements. During the year, the company made a capital contribution of £3,889,000 to facilitate the transfer of ownership of a subsidiary as part of a group reorganisation. This has no impact on the consolidated position.

15. STOCKS

	2021 £000	2020 £000
Raw materials and consumables	30,880	21,803
Work-in-progress	871	1,045
Finished goods and goods for resale	<u>43,588</u>	<u>35,843</u>
	<u>75,339</u>	<u>58,691</u>

16. DEBTORS

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Amounts falling due within one year:				
Trade debtors	95,921	-	86,402	-
Amounts owed by group companies	-	9,799	-	9,372
Other debtors	6,108	69	6,021	87
Taxation recoverable	3,270	-	1,854	-
Deferred taxation (note 19)	1,818	666	2,563	694
Prepayments and accrued income	<u>2,832</u>	<u>1</u>	<u>4,325</u>	<u>188</u>
	<u>109,949</u>	<u>10,535</u>	<u>101,165</u>	<u>10,341</u>
Amounts falling due after more than one year:				
Trade and other debtors	691	-	11	-
Deferred taxation (note 19)	1,414	-	3,433	2,808
Amounts owed by group companies	-	15,351	-	17,375
	<u>2,105</u>	<u>15,351</u>	<u>3,444</u>	<u>20,183</u>
Total Debtors	<u>112,054</u>	<u>25,886</u>	<u>104,609</u>	<u>30,524</u>

Trade receivables/debtors are assessed for impairment at each statement of financial position 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 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 £6.1m (2020: £5.1m).

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Bank overdrafts	800	-	4	-
Trade creditors	42,257	117	30,417	260
Amounts owed to group companies	-	863	-	820
Corporation tax	1,145	-	1,247	-
Other taxes and social security costs	5,907	-	4,659	35
Other creditors	1,487	-	2,006	-
Deferred income	7,250	-	-	-
Accruals	10,908	210	14,300	(227)
	<u>69,754</u>	<u>1,190</u>	<u>52,633</u>	<u>888</u>

Included within accruals are a number of environmental and dilapidations provisions amounting to £1.5m (2020: £1.6m).

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

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Finance lease obligations	2,779	-	2,341	-
Bank loans	722	-	346	-
Future employee benefits of certain overseas subsidiaries	3,569	-	3,443	-
Amounts owed to group subsidiaries	-	18,660	-	19,512
Other long-term creditors	1,542	-	877	-
	<u>8,612</u>	<u>18,660</u>	<u>7,007</u>	<u>19,512</u>

	2021 Company £000	2020 Company £000
Amounts falling due to group subsidiaries:		
In more than one year but less than two years	896	852
In more than two years but less than five years	2,967	2,824
In more than five years	<u>14,797</u>	<u>15,836</u>
	<u>18,660</u>	<u>19,512</u>

Payment terms for amounts due from/owed to group companies are agreed on an individual basis. These are reflective of market rates applicable at the date of each agreement.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

19. DEFERRED TAXATION

	Group £000	Company £000
At 1st January 2021	(3,783)	(3,502)
Arising during the year:		
Currency changes	(121)	-
Disposal of a subsidiary	(201)	-
Income statement	646	(586)
Other comprehensive income	3,422	3,422
At 31st December 2021	<u>(37)</u>	<u>(666)</u>

The analysis of deferred taxation recognised in the accounts is:

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Accelerated capital allowances	736	-	234	-
Tax losses	(859)	-	(260)	-
Fixed asset investments	2,014	-	1,355	(20)
Pension	(642)	(642)	(3,482)	(3,482)
Other timing differences	(1,286)	(24)	(1,630)	-
	<u>(37)</u>	<u>(666)</u>	<u>(3,783)</u>	<u>(3,502)</u>
Included in debtors (note 16)	(3,232)	(666)	(5,996)	(3,502)
Included in provision for liabilities on statement of financial position	3,195	-	2,213	-
Undiscounted tax (asset)	<u>(37)</u>	<u>(666)</u>	<u>(3,783)</u>	<u>(3,502)</u>

The amount of the net reversal of deferred tax expected to occur next year is £nil (2020: £nil) relating to the reversal of existing timing differences on pension contributions. Deferred tax has been provided at a rate of 25% (2020: 19%) which represents the future corporation tax rate that was enacted at the statement of financial position 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 substantively enacted at the statement of financial position date and therefore has been reflected in the measurement of deferred tax balances at the period end.

20. SHARE CAPITAL

1st January 2021 and 31st December 2021	Authorised		Allotted, called up & fully paid	
	Shares	£000	Shares	£000
15% cumulative preference shares of £1 each	2,379,030	2,379	2,111,740	2,112
Ordinary shares of 25p each	8,419,392	2,105	4,993,060	1,248
"A" Ordinary shares of 25p each	6,064,488	1,516	4,993,060	1,248
		<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):

	2021 £000	2020 £000
Contracted	986	1,415
Not contracted	2,719	2,882

(b) Leasing commitments

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

	2021 £000	2020 £000
Within one year	2,150	1,408
Between one and five years	4,480	3,827
Later than five years	435	714
	<u>7,065</u>	<u>5,949</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	
	2021 £000	2020 £000
Within one year	1,155	875
Between one and five years	2,335	1,758
Later than five years	-	-
	<u>3,490</u>	<u>2,633</u>

(c) Defined benefit pension scheme funding arrangement:

On 17th April 2014, the company entered into a defined benefit pension scheme 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.

	2021 £000	2020 £000
Financial assets at fair value through profit and loss		
Listed investments	52,571	51,254
Other investments	13,310	14,839
Forward foreign currency contracts	-	110
Financial liabilities at fair value through profit and loss		
Forward foreign currency contracts	(146)	(5)

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 2021, the company's actuarial valuation for accounting purposes showed a deficit of £2.6m. Contributions of £2.3m were made in the year ended 31st December 2021 (2020: £2.3m).

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

The defined benefit pension scheme funding arrangement (note 22(c)) remains in place.

(a) Change in benefit obligation

	2021 £000	2020 £000
Benefit obligation at beginning of the year	187,769	182,911
Past service cost - provision for GMP equalisation	-	400
Interest cost	2,395	3,642
Actuarial (gains)/ losses	(14,957)	11,351
Benefits and expenses (paid) from plan	(7,089)	(10,535)
Benefit obligation at end of the year	<u>168,118</u>	<u>187,769</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

24. PENSION ARRANGEMENTS (continued)

(b) Change in plan assets

	2021 £000	2020 £000
Fair value of plan assets at beginning of the year	169,441	158,646
Interest income on fund assets	2,172	3,168
Return on fund assets excluding interest income	(1,271)	15,863
Employer contributions	2,300	2,300
Benefits and expenses paid from plan	(7,090)	(10,536)
Fair value of plan assets at end of the year	<u>165,552</u>	<u>169,441</u>

(c) Amounts recognised in the statement of financial position

	2021 £000	2020 £000
Present value of wholly or partly funded obligations	168,118	187,769
Fair value of plan assets	<u>(165,552)</u>	<u>(169,441)</u>
Net liability, before taxation (note 24(f))	<u>2,566</u>	<u>18,328</u>

(d) Components of pension cost

	2021 £000	2020 £000
Amounts recognised in the income statement:		
Past service cost - provision for GMP equalisation	-	400
Net interest cost	<u>224</u>	<u>475</u>
Total expense recognised in the income statement	<u>224</u>	<u>875</u>

Actuarial gain immediately recognised in Other Comprehensive Income, before deferred tax

	<u>13,686</u>	<u>4,599</u>
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Cumulative amount of actuarial losses recognised in Other Comprehensive Income

	<u>(61,027)</u>	<u>(74,713)</u>
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(e) Principal actuarial assumptions at 31st December:

	2021	2020
Weighted-average assumptions to determine benefit obligations:		
Discount rate (p.a.)	1.85%	1.30%
RPI inflation (p.a.)	3.45%	3.00%
CPI inflation (p.a.)	3.00%	2.25%
Rate of pension increases		
- RPI minimum 0%, maximum 5%	3.25%	2.95%
- Fixed 5%	5.00%	5.00%
Life expectancy at 65 for male aged 65	22.9 years	22.9 years
Life expectancy at 65 for female aged 65	24.9 years	24.8 years
Life expectancy at 65 for male aged 45	24.0 years	24.0 years
Life expectancy at 65 for female aged 45	26.0 years	25.9 years

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

24. PENSION ARRANGEMENTS (continued)

(f) Reconciliation of the statement of financial position

	2021 £000	2020 £000
Gross liability on the statement of financial position at beginning of the year	18,328	24,265
Expense recognised in the income statement in the financial year	224	875
Remeasurement (gain) recognised in other comprehensive income	(13,686)	(4,512)
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))	2,566	18,328
Related deferred tax asset (note 19)	<u>(642)</u>	<u>(3,482)</u>
Net liability	<u>1,924</u>	<u>14,846</u>

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

	2021 £000	2020 £000
Equities	38,965	57,942
Absolute and real return funds	17,080	23,357
Liability driven investment funds	26,420	31,515
Buy and maintain credit	45,750	51,303
Secured income assets fund	32,084	-
Cash and net current assets	<u>5,253</u>	<u>5,324</u>
	<u>165,552</u>	<u>169,441</u>

25. DISPOSAL OF SUBSIDIARY

On 1st February 2021, the group disposed of Tennants Fine Chemicals Limited. The profit on disposal has been calculated as follows:

	£000
Cash proceeds	<u>37,287</u>
Net assets disposed of:	
Tangible fixed assets	7,577
Stocks	7,675
Debtors	16,710
Cash	4,381
Creditors	<u>(6,584)</u>
Carrying amount of the assets on sale	<u>29,759</u>
Profit on disposal before tax	<u>7,528</u>

The net inflow of cash in respect of the sale of Tennants Fine Chemicals Limited is as follows:

	£000
Cash consideration	37,287
Cash transferred on disposal	<u>(4,381)</u>
Net inflow of cash	<u>32,906</u>

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Notes to the Financial Statements (*continued*)

26. CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
	£000	£000
Profit for the financial year	44,120	30,897
Adjustments for:		
Depreciation, amortisation and impairment of fixed assets	10,358	10,464
Profit on sale of a business	(7,528)	-
Profit on sale of investments	(1,966)	-
Loss/ (profit) on sale of other fixed assets (net)	662	(2,537)
Net interest receivable	(3)	(150)
Dividend and interest income from investments	(1,606)	(1,666)
Taxation expense	7,287	6,857
Foreign exchange	(429)	(44)
Change in fair value of investments	(1,793)	2,959
Other capital movements	(84)	(393)
Other finance income/ (expense)	224	875
(Increase)/ decrease in stocks	(24,323)	4,940
(Increase) in trade and other debtors	(25,503)	(3,150)
Increase in trade and other creditors	17,165	9,559
Cash from operations	16,581	58,611
Contributions paid to pension fund	(2,300)	(2,300)
Tax paid	(8,280)	(10,509)
Net cash generated from operating activities	6,001	45,802

27. 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 £1,735,000 (2020: £1,954,000).

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 £65,000 (2020: £105,000) and purchases of £4,715,000 (2020: £1,397,000) to non-wholly owned companies. As at 31 December 2021, trade and other debtors of £774,000 (2020: £755,000) were due from non-wholly owned companies and trade and other creditors of £841,000 (2020: £76,000) were due to non-wholly owned companies. A dividend of £287,000 (2020: £104,000) was received from non-wholly owned companies.

28. POST-BALANCE SHEET EVENT

In March 2022, as a consequence of a local regeneration plan, the group disposed of certain land and buildings for proceeds of £14.5m. Alongside this, the business successfully relocated to a larger site in the same area.

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries

As at 31 December 2021 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
35 Queen Anne Street, London W1G 9HZ
Dalewick Properties Limited
35 Queen Anne Street, London W1G 9HZ
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
Highfield Road Industrial Estate, Camelford, Cornwall, PL32 9RA
- * 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 Group Investments Limited
35 Queen Anne Street, London W1G 9HZ
- * Tennants (IT) Investments Limited
35 Queen Anne Street, London W1G 9HZ
Tennants Scottish Limited Partnership
Craighead, Whistleberry Road, Blantyre, Glasgow, Lanarkshire, G72 0TH
Tennants Textile Colours Limited
35 Queen Anne Street, London W1G 9HZ
- * Tennants Ventures Limited
35 Queen Anne Street, London W1G 9HZ
- * 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
Highfield Road Industrial Estate, Camelford, Cornwall, PL32 9RA
- * Charles Tennant & Co (London) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Dundee Chemicals Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Hugh Gell & Co Limited
35 Queen Anne Street, London W1G 9HZ
- * Joseph Crowther (Chemicals) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Key Organics Holdings Limited
Highfield Road Industrial Estate, Camelford, Cornwall, PL32 9RA
- * Mark Day Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- * Tennants (Lancashire) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- Tennants Pension Trustees Limited
35 Queen Anne Street, London W1G 9HZ
- Tennants Tar Distillers & Engineering Supplies Limited
9 Airport Road West, Belfast, County Antrim, BT3 9ED
- * Tennant Trading (Chemicals) Limited
Hazelbottom Road, Cheetham, Manchester, M8 0GR
- Tennants (Warehousing) Limited
35 Queen Anne Street, London W1G 9HZ
- Waterloo Nominees Limited
35 Queen Anne Street, London W1G 9HZ
- * 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

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 J, Jordanstown Way, Aerodrome Business Park, Rathcoole, Dublin, D24 FP89, 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
Sandbrekkevegen 81, 5225 Nesttun, Norway

TENNANTS CONSOLIDATED LIMITED & SUBSIDIARIES

Subsidiaries (*continued*)

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
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

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
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	463
2021**	549,894	44,541	34,085	338	34

2014* restated under FRS 102

2021** dividends per Ordinary share excludes the final dividend for the year ended 31 December 2021, which will be considered and voted on at the AGM which is scheduled to be held on 7th July 2022.

Adjusted net profit attributable to equity shareholders excludes profits, fair value adjustments and the associated tax movements arising from the sale of investments.

Dividends per Ordinary share includes special dividends of 100p in 2015, 200p in 2017 and 400p in 2020.