Tennants Consolidated Ireland Limited and subsidiaries

Directors' report and consolidated financial statements

Year ended 31 December 2023

Registered number: 75424

Tennants Consolidated Ireland Limited and subsidiaries

Directors' report and consolidated financial statements

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Tennants Consolidated Ireland Limited and subsidiaries

Directors and other information

Directors	M. Hughes - Chairman T. Griffiths A. Cullen C.Simmons J.P. Brennan J. Giltinan S. Sloan
Secretary	H.C. Gibson
Registered office	Alexandra Road Dublin 1
Principal bankers	Bank of Ireland College Green Dublin 2
Solicitors	McCartan & Burke Solicitors Smithfield Dublin 7
Registered number	75424

Tennants Consolidated Ireland Limited and subsidiaries

Directors' report

The directors present their directors' report and consolidated financial statements of Tennants Consolidated Ireland Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2023.

Principal activities

The principal activities of the Group are the manufacture, distribution and sale of chemicals, building and road construction materials and the provision of road marking services.

Business review (including principal risks and uncertainties), results and dividends

The results of the Group are disclosed on page 11 of the consolidated financial statements.

The directors do not have plans to significantly change the activities and operations of the Company in the foreseeable future.

The directors consider any events, which could lead to a disruption in the supply of raw materials or to a significant decrease in the demand for chemicals, building and road construction materials in the Irish market as the principal risks and uncertainties faced by the Group. Such events would include but not be limited to natural disasters, pandemics, global unrest, reductions in public capital expenditure and economic downturns. The directors monitor these risks on an ongoing basis.

Key performance indicators that are focused on by management include market share, revenue and customer and product margins. Each of these indicators is monitored by local management against targets and against prior periods. The directors are satisfied with the performance of the Group during the year with regard to these indicators. Group turnover decreased by 10% *(2022: increased by 41%)* to €167m *(2022: €187m)* and the Group recorded an operating profit of €12.1m *(2022: €12.5m)*.

Dividends paid during the year comprise a final dividend of €4.9m *(2022: €3.7m)* in respect of the year ended 31 December 2023.

Financial risk management

A financial risk management objective of the directors is to protect the Group from significant currency fluctuations and price fluctuations on raw material cost. The Group policy is to negotiate settlement terms with significant suppliers in local currency where possible and align supply of materials with demand.

Directors and secretary

The names of the persons who were directors during the year are set out below. Except where indicated, they served as directors for the entire year.

M. Hughes
A. Cullen
J.P. Brennan (director, resigned as secretary 21 November 2023)
C. Simmons
T. Griffiths
J. Giltinan
S. Sloan (appointed 20 February 2023)
H. Gibson (secretary appointed 21 November 2023)

Research and development

The Company did not engage in any research and development activities during the year.

Directors' report *(continued)*

Directors and secretary's interests

The directors and secretary who held office at 31 December 2023 had no interests in the shares or debentures or loan stock of the Company or Group companies:

Health and safety of employees

The well-being of the Group's employees is safeguarded through the strict adherence to health and safety standards in accordance with the requirements of the Safety, Health and Welfare at Work Act 1989.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Alexandra Road, Dublin 1.

Political and charitable donations

The Group made no political or charitable donations during the year *(2022: €Nil)*.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditor is unaware.

Tennants Consolidated Ireland Limited and subsidiaries

Directors' report *(continued)*

Directors' Compliance Statement

In accordance with Section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for securing the Group's compliance with certain obligations specified in that Section of the Act and Tax laws (together "relevant obligations"). The directors confirm that:

- a compliance policy statement has been drawn up setting out the Group's policies with regard to such compliance;
- appropriate arrangements and structures that are, in their opinion, designed to secure material compliance with the Group's relevant obligations, have been put in place; and
- a review has been conducted during the financial year, of the arrangements and structures that have been put in place, to secure the Group's compliance with its relevant obligations.

Auditor

The auditor, Grant Thornton, continues in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the board

A. Cullen
Director

J.P. Brennan
Director

29th May 2024

Tennants Consolidated Ireland Limited and subsidiaries

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the 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 they have elected to prepare the Group and Company financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board

A. Cullen
Director

J.P. Brennan
Director

29th May 2024

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

Opinion

We have audited the financial statements of Tennants Consolidated Ireland Limited, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 December 2023, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'(Generally Accepted Accounting Practice in Ireland).

In our opinion, Tennants Consolidated Ireland Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine 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, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain
professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Grant Thornton

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Michael Nolan

for and on behalf of
Grant Thornton
Chartered Accountants
Statutory Audit Firm

Cork
Date: 21 June 2024

Tennants Consolidated Ireland Limited and subsidiaries

Consolidated profit and loss account and other comprehensive income

for the year ended 31 December 2023

	Note	**2023** €'000	2022 €'000
Turnover		**167,807**	187,043
Cost of sales		**(137,113)**	(156,104)
Gross profit		**30,694**	30,939
Administrative expenses		**(18,587)**	(18,415)
Operating profit	*3*	**12,107**	12,524
Income from financial assets	*6*	**513**	590
Loss on disposal of a business		**(3,337)**	-
Interest receivable and similar income		**52**	15
Interest payable and similar charges		**(583)**	(305)
Profit on ordinary activities before taxation		**8,752**	12,824
Taxation	*7*	**(1,775)**	(1,846)
Profit for the financial year		**6,977**	10,978
Other comprehensive income			
Currency translation		**89**	(81)
Other comprehensive income/(loss) for the year		**89**	(81)
Total comprehensive income for the year		**7,066**	10,897

Tennants Consolidated Ireland Limited and subsidiaries

Consolidated balance sheet

as at 31 December 2023

	Note	**2023** €'000	2022 €'000
Fixed assets			
Intangible assets	9	**2,283**	69
Tangible assets	10	**17,807**	21,050
Investment property	11	**911**	911
Financial assets	12	**6,776**	6,779
		27,777	28,809
Current assets			
Stocks	13	**15,784**	21,699
Debtors	14	**26,854**	26,445
Cash at bank and in hand	15	**36,385**	32,888
		79,023	81,032
Creditors: amounts falling due within one year	16	**(17,890)**	(27,998)
Net current assets		**61,133**	53,034
Total assets less current liabilities		**88,910**	81,843
Creditors: amounts falling due after one year	17	**(6,999)**	(2,151)
Provision for liabilities and charges	18	**(215)**	(199)
Net assets		**81,696**	79,493
Capital and reserves			
Called up share capital	19	**-**	-
Share premium	19	**4,480**	4,480
Profit and loss account		**21,302**	19,188
Merger reserve		**55,914**	55,914
Foreign currency translation reserve		**-**	(89)
Shareholders' equity		**81,696**	79,493

The notes on pages 17 to 31 form part of these consolidated financial statements.

On behalf of the board

A. Cullen
Director

J.P. Brennan
Director

Tennants Consolidated Ireland Limited

Company balance sheet
as at 31 December 2023

	Note	2023 €'000	2022 €'000
Fixed assets			
Financial assets	12	**8,520**	4,480
Current assets			
Debtors	14	**1,890**	399
Cash at bank and in hand		**315**	1
		2,205	400
Creditors: amounts falling due within one year	16	**(200)**	-
Net current assets		**2,205**	400
Total assets less current liabilities		**10,525**	4,880
Creditors: amounts falling due after one year	17	**(5,750)**	-
Net assets		**4,775**	4,880
Capital and reserves			
Called up share capital	19	**-**	-
Share premium	19	**4,480**	4,480
Profit and loss account		**295**	400
Shareholders' equity		**4,775**	4,880

On behalf of the board

A. Cullen
Director

J.P. Brennan
Director

Tennants Consolidated Ireland Limited and subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Called up share capital	Share premium	Merger reserve	Profit and loss account	Foreign currency translation reserve	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2022	-	4,480	55,914	11,864	(8)	72,250
Comprehensive income for the year						
Profit for the year	-	-	-	10,978	-	10,978
Currency translation differences	-	-	-	-	(81)	(81)
Total comprehensive income for the year	-	-	-	10,978	(81)	10,897
Contributions by and distributions to owners						
Dividends paid	-	-	-	(3,654)	-	(3,654)
Balance at 31 December 2022	-	4,480	55,914	19,188	(89)	79,493
Comprehensive income for the year						
Profit for the year	-	-	-	6,977	-	6,977
Currency translation differences	-	-	-	-	89	89
Total comprehensive income for the year	-	-	-	6,977	89	7,066
Contributions by and distributions to owners						
Dividends paid (note 8)	-	-	-	(4,863)	-	(4,863)
Balance at 31 December 2023	-	4,480	55,914	21,302	-	81,696

Tennants Consolidated Ireland Limited

Company statement of changes in equity

for the year ended 31 December 2023

	Called up share capital €'000	Share premium €'000	Profit and loss account €'000	Total equity €'000
Balance at 1 January 2022	-	4,480	400	4,880
Comprehensive income for the year				
Profit for the year	-	-	3,654	3,654
Total comprehensive income for the year	-	-	3,654	3,654
Contributions by and distributions to owners				
Dividends paid	-	-	(3,654)	(3,654)
Balance at 31 December 2022	-	4,480	400	4,880
Comprehensive income for the year				
Profit for the year	-	-	4,758	4,758
Total comprehensive income for the year	-	-	4,758	4,758
Contributions by and distributions to owners				
Dividends paid (note 8)	-	-	(4,863)	(4,863)
Balance at 31 December 2023	-	4,480	295	4,775

Tennants Consolidated Ireland Limited and subsidiaries

Consolidated cash flow statement

for the year ended 31 December 2023

	Note	2023 €'000	2022 €'000
Cash flows from operating activities			
Profit for the year		**6,977**	10,978
Adjustments for:			
Depreciation, amortisation and impairment		**2,728**	2,547
Net interest receivable and similar income		**(568)**	(602)
Interest payable and similar expenses		**583**	305
Profit on sale of fixed assets		**(74)**	-
Change in fair value of financial assets		**3**	(3)
Loss on disposal of a business		**3,337**	-
Taxation		**1,775**	1,846
Foreign exchange		**299**	146
		15,060	15,217
Decrease/ (increase) in stocks		**5,562**	(7,327)
Increase in trade and other debtors		**(815)**	(2,790)
(Decrease)/ increase in trade and other creditors		**(8,091)**	6,895
Cash from operations		**11,716**	11,995
Tax paid		**(1,161)**	(2,303)
Net cash generated from operating activities		**10,555**	9,692
Cash flows from investing activities			
Interest and dividends received		**568**	602
Proceeds from sale of tangible fixed assets		**98**	26
Acquisition of a business	*23*	**(3,566)**	-
Purchase of tangible assets	*10*	**(2,907)**	(2,037)
Purchase of intangible fixed assets	*9*	**(445)**	(2)
Net cash used in investing activities		**(6,252)**	(1,411)
Cash flows from financing activities			
Loan advanced from parent		**5,750**	-
Interest paid		**(394)**	(305)
Dividends paid		**(4,863)**	(3,654)
Net cash used in financing activities		**493**	(3,959)
Net increase in cash and cash equivalents		**4,796**	4,322
Cash and cash equivalents at beginning of the year		**31,589**	27,267
Cash and cash equivalents at end of year		**36,385**	31,589

Tennants Consolidated Ireland Limited and subsidiaries

Notes

forming part of the consolidated financial statements

1 Accounting policies

Tennants Consolidated Ireland Limited ("the Group") is a private Group limited by shares and incorporated, domiciled and registered in Ireland. The registered number of the Company is 75424 and the address of its registered office is Alexandra Road, Dublin 1.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000, unless otherwise stated.

The holding undertaking is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the holding undertaking financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to end of the year has not been included a second time;
- No separate holding undertaking cash flow statement with related notes is included;
- Key management personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for financial assets which are stated at their fair value.

1.2 Going concern

The Group has considerable financial resources together with contracts with a number of customers. As a consequence, the directors believe that the Group is well placed to manage its business risks. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2023. A subsidiary is an entity that is controlled by the holding undertaking. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Group has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 304 of the Companies Act 2014 the Company is exempt from the requirement to present its own profit and loss account. In the holding undertaking financial statements, investments in subsidiaries are carried at cost less impairment.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

1.5 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in preference and ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at fair value.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Basic financial instruments *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1.6 Intangible assets

Goodwill is capitalised on the statement of financial position and amortised on a straight-line basis over its economic life 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.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.11 below.

The entity assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- leasehold premises 35 years
- plant and equipment 3 - 10 years
- office equipment 3 years
- motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

No item of investment property purchased during the year was valued by an external, independent valuer. The directors' value the portfolio every year.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for in profit or loss.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution retirement benefit plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Turnover

Turnover represents the invoiced amount of goods sold, principally chemicals, building and road construction materials and road marking services, net of value added tax and discounts awarded to customers.

1.12 Expenses

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Expenses *(continued)*

Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested from group undertakings.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income, with the exception of the tax expense (income) effects of distributions to owners which are presented in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.14 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company. At the acquisition date, the Company recognised goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

In the scenario where a group re-organisation is undertaken and completed through a share for share exchange, any difference between the book value and carrying value of the shares transferred will be recorded in a Merger Reserve on consolidation. Comparative information shall be restated by including total comprehensive income for all the combining entities, and their statement of financial position, from the previous reporting date as if the entities were combined in the prior year.

2 Turnover

Turnover is generated from the sale and distribution of chemicals, building and road construction materials.

3 Operating profit

	2023	2022
	€'000	€'000
Operating profit is stated after charging:		
Depreciation (note 10)	**2,253**	2,538
Amortisation of intangible assets (note 9)	**475**	9

4 Statutory and other information

	2023	2022
	€'000	€'000
Auditor's remuneration		
Audit services	**123**	119
Taxation services	**5**	5
Non-audit services	**4**	4

Notes *(continued)*

5 Employees

Staff costs consist of:	**2023 €'000**	2022 €'000
Wages and salaries	**9,117**	9,582
Social security costs	**894**	1,260
Defined contribution pension costs	**497**	506
	10,508	11,348

The average number of persons employed by the Group during the year, including directors, analysed by category is as follows:

	2023 Number	2022 Number
Management and administration	**43**	40
Distribution and sales	**34**	31
Production	**60**	66
	137	137

6 Income from financial assets

	2023 €'000	2022 €'000
Income from share in group undertakings	**516**	587
Fair value adjustment on financial assets	**(3)**	3
	513	590

Tennants Consolidated Ireland Limited and subsidiaries

Notes *(continued)*

7 Taxation

	2023 €'000	2022 €'000
(a) Analysis of tax charge in year		
Current tax		
Corporation tax charge	**1,812**	1,822
Adjustment in respect of prior year	**3**	(262)
Total current tax	**1,815**	1,560
Origination and reversal of temporary difference	**(30)**	32
Adjustment in respect of prior periods	**(10)**	254
Total deferred tax	**(40)**	286
Total tax charge	**1,775**	1,846

(b) Factors affecting tax charge in year

The differences between the total tax charge shown above and the amount calculated by applying the standard Irish corporation tax rate applicable for Irish companies to the profit before tax is as follows:

	2023 €'000	2022 €'000
Profit on ordinary activities before tax	**8,752**	12,834
Tax on profit on ordinary activities at standard rate of 12.5%	**364**	1,604
Expenses not deductible for tax purposes	**1,194**	57
Effects of income taxable at a higher rate	**20**	67
Non-taxable income		63
Brought forward tax losses	**210**	-
Deferred tax movements	**63**	-
Adjustment in respect of prior year	**(8)**	23
Other	**(68)**	32
Total tax charge	**1,775**	1,846

8 Dividends

	2023 €'000	2022 €'000
Dividends paid: €405,250 per ordinary share *(2022: €304,500 per share)*	**4,863**	3,654

Tennants Consolidated Ireland Limited and subsidiaries

Notes *(continued)*

9 Intangible assets

	Goodwill €'000	Other Intangibles €'000	Total €'000
Cost			
At 1 January 2023	-	284	284
Additions	-	445	445
Acquisitions	2,246	-	2,246
Disposals	-	(41)	(41)
Translation	-	(1)	(1)
At 31 December 2023	**2,246**	**687**	**2,933**
Depreciation			
At 1 January 2023	-	217	217
Charge	168	307	475
Disposals	-	(39)	(39)
Translation	-	(3)	(3)
At 31 December 2023	**168**	**482**	**650**
Net book value			
31 December 2023	**2,078**	**205**	**2,283**
31 December 2022	-	69	69

10 Tangible assets

	Land and buildings €'000	Plant and equipment €'000	Motor Vehicles €'000	Total €'000
Cost				
At 1 January 2023	18,404	56,331	1,052	75,787
Additions	24	2,298	585	2,907
Acquisitions	-	61	-	61
Disposals	-	(10,795)	(581)	(11,376)
Translation	-	(606)	(15)	(621)
At 31 December 2023	**18,428**	**47,289**	**1,041**	**66,758**
Depreciation				
At 1 January 2023	7,737	46,261	739	54,737
Charge	512	1,519	222	2,253
Disposals	-	(7,174)	(454)	(7,628)
Translation	-	(402)	(9)	(411)
At 31 December 2023	**8,249**	**40,204**	**498**	**48,951**
Net book value				
31 December 2023	**10,179**	**7,085**	**543**	**17,807**
31 December 2022	10,667	10,070	313	21,050

Included within plant and equipment are assets with a net book value of nil *(2022: €2,368k)* which are held under finance leases.

Notes *(continued)*

11 Investment property

	Fair value €'000
At 31 December 2023 and 2022	**911**

12 Financial assets

	2023 Group €'000	2023 Company €'000	2022 Group €'000	2022 Company €'000
Investment in James M. Brown Limited (i)	**6,623**	**-**	6,623	-
Investment in subsidiaries (ii)	**-**	**8,520**	-	4,480
Other financial investments (iii)	**153**	**-**	156	-
	6,776	**8,520**	6,779	4,480

Investment in subsidiaries	**Company €'000**
At 1 January 2023	4,480
Additions	4,040
At 31 December 2023	8,520

(i) In 2007, the Group acquired 4,500,000 'B' ordinary shares in James M. Brown Limited, a Company in the Tennant Group. In the opinion of the directors, the carrying value of this investment is not less than its net realisable value.

(ii) The Company is a holding company for the subsidiaries of its parent undertaking, that are registered in the Republic of Ireland. A full list of subsidiaries is provided in note 23.

(iii) These investments principally comprise unit trust funds which are managed and administered by an independent financial institution. They are recognised at their fair value. Their market value is determined to be their fair value.

Notes *(continued)*

13 Stocks

	2023 Group €'000	2023 Company €'000	2022 Group €'000	2022 Company €'000
Raw materials and consumables	**10,773**	-	16,374	-
Finished goods and goods for resale	**5,011**	-	5,325	-
	15,784	-	21,699	-

The replacement cost of stocks did not differ significantly from the amounts shown above. Stocks are stated net of a provision for obsolescence of €389,000 *(2022: €852,000)*.

14 Debtors

	2023 Group €'000	2023 Company €'000	2022 Group €'000	2022 Company €'000
Amounts falling due within one year:				
Trade debtors	**24,255**	-	22,765	-
Amounts due from fellow group undertakings (a)	**69**	**1,844**	67	338
Other debtors	**2,298**	-	2,742	-
Corporation tax	**137**	**46**	831	61
Deferred tax asset (note 18)	**95**	-	39	-
	26,854	**1,890**	26,444	399
Amounts falling due after more than one year:				
Trade debtors	-	-	1	-
	26,854	**1,890**	26,445	399

(a) The amounts due from fellow group undertakings are unsecured and have no fixed repayment terms.

Trade debtors are stated net of a provision of impairment of €3,314k *(2022: €2,383k)*.

15 Cash and cash equivalents – Group

	2023 €'000	2022 €'000
Cash at bank and in hand	**36,385**	32,888
Bank overdraft (note 16)	-	(1,299)
Cash and cash equivalents per cash flow statements	**36,385**	31,589

Tennants Consolidated Ireland Limited and subsidiaries

Notes *(continued)*

16 **Creditors**: amounts falling due within one year	**2023 Group €'000**	**2023 Company €'000**	2022 Group €'000	2022 Company €'000
Trade creditors	**9,634**	**-**	15,716	-
Accruals	**4,111**	**-**	5,911	-
Amount due to Group undertakings	**2,273**	**189**	3,277	-
Bank overdraft	**-**	**-**	1,299	-
Other taxation and social welfare	**1,755**	**-**	1,703	-
Corporation tax	**117**	**11**	92	-
	17,890	**200**	27,998	-

17 **Creditors**: amounts falling due after one year	**2023 Group €'000**	**2023 Company €'000**	2022 Group €'000	2022 Company €'000
Finance lease obligations	**-**	**-**	1,506	-
Loan from parent	**5,750**	**5,750**		
Other	**1,249**	**-**	645	-
	6,999	**5,750**	2,151	-

The loan from parent bears interest at market rates and is repayable over three years.

18 Deferred taxation

	Group €'000	**Company** €'000
As at 1 January 2023	160	-
Charged to the profit and loss	(40)	(46)
As at 31 December 2023	**120**	**(46)**

The analysis of deferred taxation recognised in the accounts is:

	2023 Group €'000	**2023 Company** €'000	2022 Group €'000	2022 Company €'000
Accelerated capital allowances	**265**	**-**	155	-
Pension	**(28)**	**-**	-	-
Provisions	**(63)**	**-**	-	-
Other	**(54)**	**(46)**	5	-
	120	**(46)**	160	-
Included in debtors (note 14)	**(95)**	**(46)**	(39)	-
Included in provision for liabilities	**215**	**-**	199	-
	120	**(46)**	160	-

19 Called up share capital and share premium

	2023 €	2022 €
Authorised		
100 Ordinary shares of €1.25 each	**125**	125
Allotted, called up and fully paid		
12 Ordinary shares of €1.25 each	**15**	15

Share premium	**2023 €'000**	2022 €'000
At 31 December 2023 and 2022	**4,480**	4,480

20 Capital commitments and financial instruments

The capital commitments at 31 December 2023 were €46,000 *(2021: €117,000)*.

The carrying amounts of the Group's financial assets and liabilities include:

	2023 €'000	2022 €'000
Financial assets at fair value through profit and loss	**153**	156

21 Retirement benefit commitments and directors' remuneration

The Group operates a number of defined contribution pension schemes. The retirement benefit charge in respect of the Defined Contribution Retirement Benefit Scheme represents contributions payable by the Group to the schemes and amounted to €497k *(2022: €506k)* for the year. Retirement benefits accrue to 3 directors *(2022: 3)* under defined contribution schemes and total contributions for the year amounted to €52k *(2022: €47k)*. Total directors' remuneration in respect of fees and other emoluments was €755k *(2022: €702k)*. Included within directors' fees and other emoluments are all payments to directors for executive and non-executive services provided across the wider group.

22 Guarantees

Company

In order to avail of the exemption under Section 357 of the Companies Act 2014, the Company has guaranteed the liabilities of each of its subsidiaries registered in Ireland. As a result, the following subsidiaries have been exempted from the provisions of Sections 347 and 348 of the Companies Act 2014:

- Charles Tennant & Co (Cork) Ltd
- Charles Tennant & Co (Eire) Ltd
- Tennants Building Products Ltd
- Irish Tar & Bitumen Suppliers Ltd
- Tennants Group Investments Ireland Ltd
- Tennants Group Treasury Ireland Ltd
- Marinochem Limited
- Brockley Holdings Limited

23 Business combinations, Group relationships and Controlling parties

Business combinations

On 30th March 2023, the group acquired 100% of the share capital of Brockley Holdings Limited and its subsidiary Brockley Group Limited, both incorporated in Ireland. The acquisition was accounted for using the purchase method. The excess of purchase consideration over the value of assets acquired is classified as goodwill arising on acquisition and will be amortised over its useful economic life of 10 years, commencing in the year ended 31 December 2023. The purchase consideration, net of cash acquired with the business, was €3.6m.

On 26th August 2023, the group disposed of its investment in Visafo AS, a company incorporated in Norway.

Group relationships and Controlling parties

The ultimate holding Company and controlling party of the Company is Tennants Consolidated Limited, a Company incorporated in the UK. The smallest group in which the results of the Company is consolidated is Tennants Consolidated Ireland Limited which prepares consolidated financial statements which are available from the Companies House in the Republic of Ireland. The largest group in which the results of the Company are consolidated into is that headed by Tennants Consolidated Limited which prepares consolidated financial statements which are available from Companies House, Crown Way, Cardiff CF4 3UZ, Wales.

The Company has availed of the exemption available in under FRS 102 Section 33.1A from disclosing transactions with Tennants Consolidated Limited and its wholly owned subsidiary undertakings.

23 Business combinations, Group relationships and Controlling parties (continued)

List of Subsidiaries

The following entities are wholly owned subsidiaries of the Company at 31 December 2023:

Name	Registered office
Charles Tennant & Co (Cork) Ltd	Marino Point, Cobh, Co. Cork
Charles Tennant & Co (Eire) Ltd	Unit J Aerodrome Bus Pk, Rathcoole, Dublin
Tennants Building Products Ltd	Airton Road, Tallaght, Dublin
Irish Tar & Bitumen Suppliers Ltd	Alexandra Road, Dublin 1
Tennants Group Investments Ireland Ltd	Alexandra Road, Dublin 1
Tennants Group Treasury Ireland Ltd	Alexandra Road, Dublin 1
Marinochem Limited	Marino Point, Cobh, Co. Cork
Brockley Group Limited	Unit J Aerodrome Bus Pk, Rathcoole, Dublin
Brockley Holdings Limited	Unit J Aerodrome Bus Pk, Rathcoole, Dublin

24 Approval of financial statements

These financial statements were approved by the directors on 29th May 2024.

For information of management

Tennants Consolidated Ireland Limited

Profit and Loss Account

For the year ended 31 December 2023

	2023 €	2022 €
Income		
Dividend Income from Subsidiaries	**4,862,550**	3,654,071
Operating expenses		
Other admin expenses	**(83)**	(104)
Operating profit	**4,862,467**	3,653,967
Interest receivable	**49,396**	-
Interest payable	**(189,000)**	-
Tax on profit on ordinary activities	**34,900**	-
Profit for the financial year	**4,757,763**	3,653,967