

COMPANIES HOUSE

Registered number: 05744577

TENNANT METALLURGICAL HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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TENNANT METALLURGICAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J J Cunningham I A Cunningham M R Cunningham J A Snelling
Company secretary	W F G Glossop
Registered number	05744577
Registered office	c/o Tennant Metallurgical Group Limited Dunston Innovation Centre Dunston Road Chesterfield DERBYSHIRE S41 8NG

TENNANT METALLURGICAL HOLDINGS LIMITED

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TENNANT METALLURGICAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The Company's main activity is that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £25,706 (2017 - £771,683).

Dividends declared in the year, after taxation, amounted to £9,770 (2017: £1,791,064).

Directors

The directors who served during the year were:

J J Cunningham
I A Cunningham
M R Cunningham
J A Snelling

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TENNANT METALLURGICAL HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Disclosure of information to auditor

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.

The Bribery Act

The board is committed to supporting the objectives of the Bribery Act 2010 and will not countenance corruption in the course of business. Steps have been taken to educate all managers and others who might be exposed to the risks and our policies are constantly being reviewed and updated.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 6th March 2019 and signed on its behalf.



I A Cunningham
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENNANT METALLURGICAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tennant Metallurgical Holdings Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 December 2018 and of its 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENNANT METALLURGICAL HOLDINGS
LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENNANT METALLURGICAL HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 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 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.

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.



Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
1 Holly Street, Sheffield
S1 2GT
Date: 6 March 2019

TENNANT METALLURGICAL HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(7)	(3,845)
Profit on disposal of fixed asset investments		31,629	-
Operating profit/(loss)		31,622	(3,845)
Fair value movements		-	17,869
Income from shares in related undertakings		-	775,000
Interest payable and expenses		-	(17,341)
Profit before tax		31,622	771,683
Tax on profit	7	(5,916)	-
Profit for the financial year		25,706	771,683

All amounts relate to continuing operations.

There was no other comprehensive income for 2018 or 2017.

The notes on pages 9 to 14 form part of these financial statements.

TENNANT METALLURGICAL HOLDINGS LIMITED
REGISTERED NUMBER:05744577

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	5	1,030,860	1,060,564
		<u>1,030,860</u>	<u>1,060,564</u>
Current assets			
Debtors: amounts falling due within one year	8	30,100	30,100
Cash at bank and in hand	9	67,191	15,635
		<u>97,291</u>	<u>45,735</u>
Creditors: amounts falling due within one year	10	(5,916)	-
Net current assets		<u>91,375</u>	<u>45,735</u>
Total assets less current liabilities		<u>1,122,235</u>	<u>1,106,299</u>
Net assets		<u>1,122,235</u>	<u>1,106,299</u>
Capital and reserves			
Called up share capital	10	127	127
Capital redemption reserve	12	736,000	736,000
Profit and loss account	12	386,108	370,172
		<u>1,122,235</u>	<u>1,106,299</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
6th March 2019



I A Cunningham
Director

The notes on pages 9 to 14 form part of these financial statements.

TENNANT METALLURGICAL HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	127	736,000	370,172	1,106,299
Profit for the year	-	-	25,706	25,706
Dividends paid	-	-	(9,770)	(9,770)
At 31 December 2018	127	736,000	386,108	1,122,235

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	127	-	2,125,553	2,125,680
Profit for the year	-	-	771,683	771,683
Dividends paid	-	-	(1,791,064)	(1,791,064)
Reserve arising from redemption of preference shares	-	736,000	(736,000)	-
At 31 December 2017	127	736,000	370,172	1,106,299

The notes on pages 9 to 14 form part of these financial statements.

TENNANT METALLURGICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Tennant Metallurgical Holdings Limited is a limited liability company incorporated in England and Wales. Registered number: 05744577. Its registered head office is located at c/o Tennant Metallurgical Group Limited, Dunston Innovation Centre, Dunston Road, Chesterfield, Derbyshire S41 8NG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The directors have prepared budgets, profit forecasts, cash flow forecasts and business plans for the company covering the period to September 2020.

Based on the above the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future.

For this reason the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Listed investments are revalued to market value at the balance sheet date. This represents a change in accounting policy in the year. Listed investments were previously valued at cost less provision for impairment.

2.5 Debtors

Short term 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short term creditors are measured at the 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.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Auditor's remuneration

Auditor's remuneration is disclosed in the parent entity, Tennant Metallurgical Group Holdings Limited.

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2017: 0).

TENNANT METALLURGICAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2018	1,030,860	29,704	1,060,564
Disposals	-	(29,704)	(29,704)
At 31 December 2018	<u>1,030,860</u>	<u>-</u>	<u>1,030,860</u>
Net book value			
At 31 December 2018	<u>1,030,860</u>	<u>-</u>	<u>1,030,860</u>
At 31 December 2017	<u>1,030,860</u>	<u>29,704</u>	<u>1,060,564</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Tennant Metallurgical Group Limited *	England & Wales	Ordinary	100 %
Logistics and Services (Europe) Limited	England & Wales	Ordinary	100 %
TM (Developments) Limited	England & Wales	Ordinary	100 %
Tennant Metallurgical Limited	England & Wales	Ordinary	100 %
Watson Alloys & Metals Limited	England & Wales	Ordinary	100 %
NewcoE Limited	England & Wales	Ordinary	100 %
NewcoU Limited	England & Wales	Ordinary	100 %

* Directly held subsidiary undertakings

6. Dividends

A dividend was paid in year to Tennant Metallurgical Group Holdings Limited of £9,770 (2017: £1,791,064).

TENNANT METALLURGICAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	5,916	-
	<u>5,916</u>	<u>-</u>
Total current tax	<u>5,916</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>5,916</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *the same as*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	31,622	771,683
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	6,008	-
Effects of:		
Income not taxable for tax purposes	(6,008)	-
Chargeable gains/losses	5,916	-
Total tax charge for the year	<u>5,916</u>	<u>-</u>

TENNANT METALLURGICAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 £	2017 £
Trade debtors	100	100
Other debtors	30,000	30,000
	<u>30,100</u>	<u>30,100</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	67,191	15,635
	<u>67,191</u>	<u>15,635</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	5,916	-
	<u>5,916</u>	<u>-</u>

11. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
125 Ordinary C shares of £0.50 each	62.5	62.5
125 Ordinary D shares of £0.50 each	62.5	62.5
2 Ordinary E shares of £0.50 each	1	1
2 Ordinary F shares of £0.50 each	1	1
	<u>127</u>	<u>127</u>

TENNANT METALLURGICAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. Reserves

Capital redemption reserve

Following the re-purchase of shares by the company this is the nominal value of the re-purchased shares that are non-distributable to shareholders.

Profit and loss account

Includes all current and prior period profits and losses.

13. Related party transactions

Tennant Metallurgical Holdings Limited is 100% owned by Tennant Metallurgical Group Holdings Limited. The company has taken the exemption in FRS 102 and has not disclosed transactions or balances with entities which are wholly owned members of the largest group to consolidate the financial statements, Tennant Metallurgical Group Holdings Limited.

At 31 December 2018 there was a balance outstanding of £30,000 (2017: £30,000) relating to a loan due from W Glossop.

14. Limitation of auditor's liability

The company has entered into a proportionate liability agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the period ended 31 December 2018. The proportionate liability agreement follows the terms of Appendix B to the Financial Reporting Council's June 2008 Guidance on Audit Liability Agreements, and was approved by written resolution.

15. Controlling party

The directors consider that the immediate parent undertaking is Tennant Metallurgical Group Holdings Limited and ultimate controlling related party is Mr I A Cunningham.

The largest group to consolidate these financial statements are Tennant Metallurgical Group Holdings Limited. Copies of the Tennant Metallurgical Group Holdings Limited financial statements can be obtained from Companies House.