

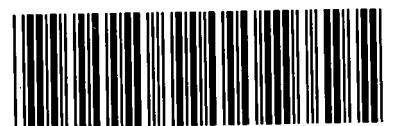
James M. Brown Limited

Report, Accounts and Information for Directors

31 December 2019

Registered Number: 00382434

TUESDAY



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COMPANIES HOUSE

James M. Brown Limited

Registered No. 00382434

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The company is engaged in the manufacture and sale of pigments and inorganic chemicals in both the UK and overseas markets.

The company has exposure to foreign currencies due to selling and purchasing some of its products in Euros and US Dollars. Wherever possible, the company uses foreign currency generated from sales to fund purchases made in that currency.

The company's credit risk is primarily attributable to its trade debtors. The company has no significant concentration of credit risk, with exposure spread over a number of customers. The amounts presented in this statement of financial position for trade debtors are net of allowances for doubtful debts.

The UK has now left the EU and there is a transition period until the end of 2020 while additional arrangements are negotiated. The Company has, for some time now, been in contact with stakeholders likely to be directly or indirectly affected by the various possible outcomes and plans have been put in place to deal with the most difficult scenarios foreseen, identified as chemical regulation and port congestion.

TRENDS LIKELY TO AFFECT THE FUTURE DEVELOPMENT OF THE BUSINESS

Environmental legislation continues to pose the principal risk to the future of the business. The business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. However we will continue to show flexibility and respond to market conditions as they arise.

The directors are pleased to report that the company's operations are conducted such that the company complies with all legal requirements and especially those relating to the environment and health and safety.

KEY PERFORMANCE INDICATORS

To assist in the monitoring of the company's performance, the following key performance indicators are used:

	2019	2018
Operating profit	£1.7m	£2.6m
Profit before taxation	£2.7m	£3.9m
Liquidity (Current assets / current liabilities)	7.8	5.4

All source data is taken from the audited financial statements.

ANALYSIS OF THE PERFORMANCE DURING THE YEAR

The company has reported a profit after tax for the year of £2.2m (2018: £3.2m) which has been transferred to accumulated profits.

By order of the board



N Simcock
Secretary

Date: 27th February 2020

DIRECTORS REPORT

EMPLOYEES

Employees are kept informed of matters concerning them by means of meetings, notices and direct communication.

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors the market value of freehold land and buildings exceeds its book value but, in the absence of a professional valuation, they are unable to quantify the amount.

FIXED ASSETS

The changes in fixed assets during the year are summarised in note 7 to the accounts.

DIVIDENDS

Dividends of £1,055,000 (2018: £3,083,000) were paid during the year.

DIRECTORS

The current directors of the company are Mr M G Hughes, Mr J N Perrie and Mr W P Alexander. Dr H D Winbow left the company and ceased to be a director in February 2020.

DIRECTORS REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including Financial reporting Standard 102 'The financial reporting standard applicable in the UK and the 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 of the company 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 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 auditors are aware of that information.

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.

Auditors

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

By order of the board



N Simcock
Secretary

Date: 27th February 2020

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES M. BROWN LIMITED
(REGISTERED NO. 00382434)**

Opinion

We have audited the financial statements of James M. Brown Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 company's affairs as at 31 December 2019 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.

The Impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report and the strategic 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

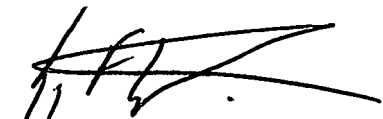
Auditor's responsibilities for the audit of the financial statements

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.



Sergio Cardoso
Senior Statutory Auditor
for and on behalf of: Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 27th February 2020

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

		2019 £'000	2018 £'000
TURNOVER	2	14,384	14,424
Change in stocks of finished goods and work in progress		(7)	886
		<u>14,377</u>	<u>15,310</u>
Raw materials and consumables		7,582	7,717
Other external charges		1,380	1,394
Staff costs	3	2,858	2,819
Depreciation and amortisation of owned fixed assets		123	119
Other operating charges		769	668
		<u>12,712</u>	<u>12,717</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES	5	<u>1,665</u>	<u>2,593</u>
Interest receivable		40	24
Income from investments		995	1,236
		<u>2,700</u>	<u>3,853</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	6	475	668
		<u>2,225</u>	<u>3,185</u>
PROFIT / TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u><u>2,225</u></u>	<u><u>3,185</u></u>

STATEMENT OF FINANCIAL POSITION

at 31 December 2019

		2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	7	792	677
Investments	8	12,236	12,236
		<u>13,028</u>	<u>12,913</u>
CURRENT ASSETS			
Stocks	9	4,067	3,862
Debtors	10	2,395	2,394
Cash at bank and in hand		4,766	4,442
		<u>11,228</u>	<u>10,698</u>
CREDITORS: amounts falling due within one year	11	1,444	1,969
NET CURRENT ASSETS		<u>9,784</u>	<u>8,729</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,812</u>	<u>21,642</u>
NET ASSETS		<u><u>22,812</u></u>	<u><u>21,642</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	4,950	4,950
General reserve	13	850	850
Profit and loss account	13	17,012	15,842
SHAREHOLDERS' FUNDS		<u><u>22,812</u></u>	<u><u>21,642</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27th February 2020 and signed on its behalf by:

J N Perrie
Director



The notes on pages 10 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	<i>Share capital £'000</i>	<i>General reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2018	4,950	850	15,740	21,540
Profit and total comprehensive income for the year	-	-	3,185	3,185
Dividends paid (Note 14)	-	-	(3,083)	(3,083)
At 31 December 2018	4,950	850	15,842	21,642
Profit and total comprehensive income for the year	-	-	2,225	2,225
Dividends paid (Note 14)	-	-	(1,055)	(1,055)
At 31 December 2019	4,950	850	17,012	22,812

The notes on pages 10 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2019

1. ACCOUNTING POLICIES

Statement of compliance

James M. Brown Limited is a limited liability company incorporated in England. The registered office is Napier Street, Fenton, Stoke-on-Trent, ST4 4NX.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 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 accounts present information about the company as an individual undertaking and not about its group. The company is not required to prepare and deliver group accounts, as it is a wholly owned subsidiary of an EU parent company.

The company has adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes;
- financial instrument disclosures including:
 - o categories of financial instruments;
 - o items of income, expense, gains or losses relating to financial instruments; and
 - o exposure to and management of financial risks.
 - o The requirement to disclose related party transactions that have taken place with other members of the group, under FRS102 section 33.

The financial statements are presented in Sterling (£).

The accounting policies remain unchanged from the prior year.

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. Net realisable value is the market price for materials.

Fixed assets

Fixed assets are stated at cost, net of depreciation and any provisions for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	over 20 years
Plant and machinery	-	over 3 to 10 years
Motor vehicles	-	over 4 years

Fixed asset investments

The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2019

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the statement of financial position date. All differences are taken to profit or loss.

Related Party Transactions

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under FRS102 section 33 - Related Party Disclosures, as it is a wholly owned subsidiary.

Turnover

Turnover represents the invoiced value of goods sold, stated net of value added tax, after deducting all credit notes, allowances and principally relates to one activity, the manufacture and sale of pigments and inorganic chemicals. Sales are recognised on dispatch to customers.

Pension benefits

The company participates in the Tennants Consolidated Limited Pension Fund, operated by the ultimate parent company. Formerly a defined benefit scheme, on 31 January 2002 the defined benefit section was placed on a paid up basis and all members were invited to join a defined contribution section from that date.

Defined benefit section:

Pension benefits are funded over the employees' periods of service. The cost is calculated by an independent, qualified actuary and deficiencies or surpluses arising from triennial valuations of the group's scheme are amortised over the remaining service lives of employees.

It is not possible to identify the company's share of the underlying assets and liabilities on a consistent and reasonable basis and therefore the company accounts for contributions as if they were being paid into a defined contribution scheme.

Defined contribution section:

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2019

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Provision is made in full on an undiscounted basis for all taxation deferred in respect of timing differences that have originated but not reversed by the statement of financial position date, except for gains on disposal of fixed assets that will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Investments

Investments are carried at cost.

Investment income

Interest on bank deposits is taken into account on an accruals basis. Income from other investments is accounted for when received.

Dividends

Dividends receivable are recognised as income when received. Related tax credits are reflected in the tax charge for the year. Dividends payable are shown as a deduction from accumulated profits.

Provisions

Provisions are recognised as a liability in the financial statements when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Research and Development

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

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

2. TURNOVER

	2019 £'000	2018 £'000
United Kingdom	8,049	7,609
Export	6,335	6,815
	<u>14,384</u>	<u>14,424</u>

The Directors have elected not to disclose turnover analysed by geographical market and class of business on the basis that the information would be seriously prejudicial to the interests of the company.

3. STAFF COSTS

	2019 £'000	2018 £'000
Wages and salaries	2,302	2,277
Social security costs	232	229
Pension costs for the defined contribution scheme (Note 15)	259	248
Additional contribution for the shortfall in the ultimate parent company's defined benefit pension scheme (Note 15)	65	65
	<u>2,858</u>	<u>2,819</u>

The average number of persons employed by the company during the year, including directors, was as follows:

	2019 No.	2018 No.
Management and administration	18	17
Sales	3	4
Production	44	46
	<u>65</u>	<u>67</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

4. DIRECTORS' EMOLUMENTS

	2019 £'000	2018 £'000
Emoluments (including benefits-in-kind)	532	482
Contributions to money purchase pension scheme	39	33
	<u>571</u>	<u>515</u>
	2019 No.	2018 No.
Members of defined benefit pension schemes	1	1
Members of defined contribution pension schemes	3	3
	<u>4</u>	<u>4</u>

A member of the defined contribution pension scheme is also a member of the defined benefit scheme but for deferred benefits only.

The aggregate emoluments of the highest paid director was £289,000 (2018: £277,000) and company pension contributions of £23,000 (2018: £19,000) were made to a money purchase scheme on their behalf.

5. OPERATING PROFIT

	2019 £'000	2018 £'000
This is stated after charging / (crediting):		
Net loss / (gain) on foreign currency transactions	57	(65)
Hire of plant and machinery	50	16
Auditors' remuneration	16	15
Fees for non-audit services	3	2
Depreciation of tangible fixed assets	123	119
	<u>249</u>	<u>117</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

6. TAXATION OF PROFIT ON ORDINARY ACTIVITIES

	2019 £'000	2018 £'000
Current tax:		
Corporation tax on profits of the period	-	19
Group relief payable	348	521
Overseas tax suffered	96	128
Adjustments in respect of prior periods	25	-
	<u>469</u>	<u>668</u>
Deferred tax asset	6	-
Tax on profit on ordinary activities	<u>475</u>	<u>668</u>

Factors affecting the tax charge for the period:

The tax assessed for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018:19%). The difference is explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	<u>2,700</u>	<u>3,853</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2018:19%)	513	732
Other expenses not deductible for tax purposes	1	3
Non-taxable dividends	(67)	(73)
Depreciation for period in excess of capital allowances	4	3
R&D expenditure credits	-	3
Adjustments in respect of previous periods	24	-
	<u>475</u>	<u>668</u>
Deferred tax asset		
	2019 £'000	2018 £'000
Accelerated capital allowances	16	11
Other timing differences	(21)	(22)
	<u>(5)</u>	<u>(11)</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

7. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £'000</i>	<i>Motor vehicles £'000</i>	<i>Plant and Machinery £'000</i>	<i>Total £'000</i>
Cost:				
At 31 December 2018	1,783	57	4,766	6,606
Additions	-		244	244
Disposals	(6)	-	-	(6)
At 31 December 2019	<u>1,777</u>	<u>57</u>	<u>5,010</u>	<u>6,844</u>
Depreciation:				
At 31 December 2018	1,515	42	4,372	5,929
Charged for the year	21	6	96	123
At 31 December 2019	<u>1,536</u>	<u>48</u>	<u>4,468</u>	<u>6,052</u>
Net book value:				
At 31 December 2019	<u>241</u>	<u>9</u>	<u>542</u>	<u>792</u>
At 31 December 2018	<u>268</u>	<u>15</u>	<u>394</u>	<u>677</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £1,663,000 (2018: £1,669,000) of depreciable assets.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

8. INVESTMENTS

<i>Name of company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>%</i>	<i>Principal activity</i>	<i>Year end</i>
Multicel Pigmentos Industri e Commercials Ltda	Brazil	Quotas	100%	Manufacturing	31 Dec 2019

James M. Brown Limited is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

	£'000
At 31 December 2018 & 31 December 2019	12,236

9. STOCKS

	2019 £'000	2018 £'000
Raw materials and consumables	1,661	1,450
Work in progress	279	335
Finished goods and goods for resale	2,127	2,077
	<u>4,067</u>	<u>3,862</u>

Stocks are stated at the lower of the purchase/production cost and net realisable value.

Consignment stock

The company has consignment stock contracts with suppliers. Goods received and corresponding liabilities are not recognised on the statement of financial position on the basis that the risks and rewards of ownership are retained by the supplier until goods are used by the company, at which point the purchase price is determined based on published London Metal Exchange prices.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

10. DEBTORS

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade debtors	2,188	1,987
Amounts owed by subsidiary undertaking	-	178
Amounts owed by fellow subsidiary undertakings	2	39
Other debtors	7	7
Deferred tax	5	11
Prepayments and accrued income	193	172
	<u>2,395</u>	<u>2,394</u>

11. CREDITORS: Amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	982	1,206
Amounts owed to fellow subsidiary undertakings	-	35
Corporation tax	105	496
Other taxes and social security costs	245	121
Accruals	112	111
	<u>1,444</u>	<u>1,969</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2019

12. SHARE CAPITAL

	<i>Authorised</i>	
	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Ordinary shares of £1 each	500	500
"B" ordinary shares of £1 each	4,500	4,500
	<u>5,000</u>	<u>5,000</u>

	<i>Allotted, called up and fully paid</i>			
	<i>2019</i> <i>No.</i>	<i>2018</i> <i>No.</i>	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Ordinary shares of £1 each	450,000	450,000	450	450
"B" ordinary shares of £1 each	4,500,000	4,500,000	4,500	4,500
	<u>4,950,000</u>	<u>4,950,000</u>	<u>4,950</u>	<u>4,950</u>

The "B" ordinary shares are non-voting but have the right to a dividend as decided by the directors. On a return of assets on a winding up, the ordinary shares would rank before the "B" ordinary shares.

13. RESERVES

The general reserve records the historic cost of provisions made from unappropriated profits for the specific purpose of providing for employees in the event that the Company closed.

The profit and loss account includes all current and prior period retained profits and losses.

14. DIVIDENDS

	<i>2019</i> <i>£'000</i>	<i>2018</i> <i>£'000</i>
Dividend paid	1,055	3,083
	<u>1,055</u>	<u>3,083</u>

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2019

15. PENSION COSTS

The company participates in the Tennants Consolidated Limited Pension Fund, a combined defined benefit and defined contribution scheme, operated by the ultimate parent company. An actuarial valuation of the scheme took place as at 30 September 2016 and further details are shown in the financial statements of Tennants Consolidated Limited.

The cost of the company's contributions to the defined contribution section of the Group scheme (note 3) amounted to £259,000 (2018: £248,000). Additional company contributions (note 3) in respect of the shortfall in the defined benefit section of the Group scheme amounted to £65,000 (2018: £65,000). There were no outstanding contributions (2018: £nil) payable to the fund at the statement of financial position date.

16. CONTINGENT LIABILITIES

The bank holds a terminal indemnity to H M Revenue & Customs for £50,000.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent and controlling company is Tennants Consolidated Limited, a company incorporated in the United Kingdom. The address of the registered office of the parent company is 12 Upper Belgrave Street, London, SW1X 8BA.

The largest and smallest group of undertakings for which group accounts are produced is that headed by Tennants Consolidated Limited.

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS102 section 33 Related Party Disclosures from disclosing transactions with other members of the group.