

Registered number 00233721

G.F. TOMLINSON GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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G.F. TOMLINSON GROUP LIMITED

COMPANY INFORMATION

Directors	B E Swards (Chairman) A J S Swards
Company secretary	R S Hefford
Registered number	00233721
Registered office	Tomlinson House Duffield Road Little Eaton Derby DE21 5DR
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor 3 Centro Place Pride Park Derby DE24 8RF
Bankers	National Westminster Bank plc 7 Market Place Derby DE1 3ZF

G.F TOMLINSON GROUP LIMITED

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G.F. TOMLINSON GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activities of the group are building and civil engineering contracting, property development, equipment rentals and the holding of property for the purpose of investment.

Review of the business and future developments

The Directors are extremely disappointed to record a loss after taxation of £3.47 million for the year to 31 December 2012. This followed a loss of £432k in the year to 31 December 2011. For a group which has been consistently profitable throughout its 100+ year history these losses have been especially painful.

Although the downturn in the construction industry has been well documented, the losses of the Group are almost solely attributable to G F Tomlinson Birmingham Limited. In 2012, G F Tomlinson Birmingham Limited recorded a loss of £3.25 million and in 2011 a loss of £1.46 million. Since the year end a major downsizing and re-organisation of this subsidiary has taken place and activity in the company is likely have substantially ceased by 31 December 2013.

One of the major reasons for these losses is due to staff who were transferred to the G F Tomlinson Birmingham Limited in 2008 should have been transferred to the new partnership of Birmingham City Council in March 2012; however, Birmingham City Council did not facilitate the transfer of these staff and this resulted in very substantial redundancy and gardening leave payments to the employees affected. There were further large one-off costs for the rest of the staff from the Housing side upon the complete closure of that side of the business. The major downsizing continued after the year end and the only staff retained at G F Tomlinson Birmingham Limited are those required to complete current contracts, remedial work and on-going obligations to customers which will be completed by the end of 2013.

G.F. TOMLINSON GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Review of the business and future developments (continued)

The Groups' three other principal trading subsidiaries have continued to trade in a satisfactory manner despite the macro economic conditions. G F Tomlinson Building Limited recorded a profit of £776k (2011 profit £734k). Total Hire and Sales Limited a profit of £65k in 2012 (2011 £8k). Workloads since the year ended have been encouraging and 2013 is expected to be a far better year for the group. For example, G F Tomlinson Building Limited is projected to generate revenue of £1.2m. The downsizing of G F Tomlinson Birmingham Limited should be virtually completed by the half year stage, and a leaner more tightly managed group will then exist.

The Group's asset base remains strong with shareholders funds in excess of £8 million, much of which is represented by freehold properties and land held for development. At the year end, in order to provide some seasonal headroom within the Group's working capital, an invoice funding facility was entered into. As activity levels have picked up into 2013, the facility has not been utilised to date. The Group has no other bank or similar borrowings.

Principal risk and uncertainties

The principal risk for the year of 2013 remains the economy. The construction industry generally has endured a difficult period in light of depressed macro-economic conditions. Margins within the sector can be tight as firms compete for reduced levels of activity and future volumes of business can be difficult to predict. The availability of bank funding to companies operating within the property related sector has also been extremely limited. All of these factors contribute to reduced liquidity and reduced 'margins for error' within the sector. The Group responds to these risks by carefully monitoring contract profitability, monitoring future workloads and in seeking to work for blue chip clients where the risk of client default is low.

Results and dividends

The loss for the year, after taxation, amounted to £3,476,161 (2011 - loss £431,660).

The directors have not recommended the payment of a dividend (2011 - £nil).

Directors

The directors who served during the year were

B E Swards (Chairman)
A J S Swards

Charitable contributions

During the year the group made charitable donations totalling £3,576 (2011 - £2,406) to local charities.

G.F. TOMLINSON GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

Employee involvement

It is group policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs and future prospects

The group actively encourages the promotion of safe working conditions and the procedures and the development of practices which secure and enhance the health and welfare at work of employees

Disabled employees

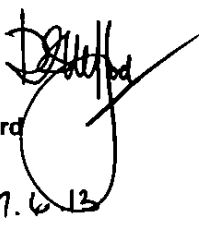
It is group's policy to make no differentiation between disabled and able-bodied employees in career development and promotion in occupations where disabled persons are employed. Arrangements are made, where possible, for retaining employees who became disabled, to enable them to work perform work identified appropriate to their aptitudes and abilities

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

This report was approved by the board and signed on its behalf


R S Hefford
Secretary

Date 17.6.13

G.F. TOMLINSON GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G.F. TOMLINSON GROUP LIMITED

We have audited the financial statements of G F Tomlinson Group Limited for the year ended 31 December 2012, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

G.F. TOMLINSON GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G.F. TOMLINSON GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Cooper Parry Group Limited

Peter Sterling (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Derby

Date *17 June 2013*

G.F. TOMLINSON GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Turnover	1,2	99,063,746	108,380,527
Cost of sales		<u>(90,175,747)</u>	<u>(95,700,859)</u>
Gross profit		8,887,999	12,679,668
Administrative expenses		(11,957,960)	(13,290,751)
Exceptional administrative (expenses)/income	3	(531,173)	73,632
Total administrative expenses		<u>(12,489,133)</u>	<u>(13,217,119)</u>
Operating loss	3	(3,601,134)	(537,451)
Interest receivable and similar income	7	<u>42,073</u>	<u>60,246</u>
Loss on ordinary activities before taxation		(3,559,061)	(477,205)
Tax on loss on ordinary activities	8	<u>82,900</u>	<u>45,545</u>
Loss on ordinary activities after taxation		(3,476,161)	(431,660)
Profit brought forward		<u>10,895,161</u>	<u>11,326,821</u>
Retained profit carried forward		<u><u>7,419,000</u></u>	<u><u>10,895,161</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 23 form part of these financial statements

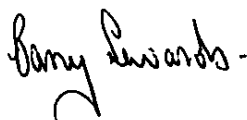
G.F. TOMLINSON GROUP LIMITED
REGISTERED NUMBER 00233721

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		10,427,027		10,784,960
Investment property	10		772,506		772,506
			<u>11,199,533</u>		<u>11,557,466</u>
Current assets					
Stocks	13	2,209,530		2,208,080	
Debtors	14	17,213,665		18,982,090	
Cash at bank and in hand		4,545,976		6,261,073	
		<u>23,969,171</u>		<u>27,451,243</u>	
Creditors amounts falling due within one year	15	(27,141,202)		(27,422,627)	
Net current (liabilities)/assets			(3,172,031)		28,616
Total assets less current liabilities			8,027,502		11,586,082
Provisions for liabilities					
Deferred tax	16		(24,158)		(106,577)
Net assets			<u>8,003,344</u>		<u>11,479,505</u>
Capital and reserves					
Called up share capital	17		135,698		135,698
Share premium account	18		550		550
Capital redemption reserve	18		448,096		448,096
Profit and loss account	18		7,419,000		10,895,161
Shareholders' funds	19		<u>8,003,344</u>		<u>11,479,505</u>

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

B E Sowards (Chairman)
Director



Date 17.6.13

The notes on pages 10 to 23 form part of these financial statements

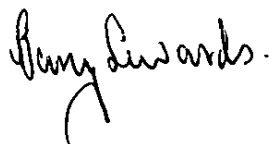
G.F. TOMLINSON GROUP LIMITED
REGISTERED NUMBER. 00233721

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		8,703,356		8,760,322
Investment property	10		772,506		772,506
Investments in group companies	11		122,000		222,000
			<u>9,597,862</u>		<u>9,754,828</u>
Current assets					
Stocks	13	2,123,137		2,117,971	
Debtors	14	429,938		1,330,389	
Cash in hand		546		519	
		<u>2,553,621</u>		<u>3,448,879</u>	
Creditors. amounts falling due within one year	15	(6,314,308)		(6,629,391)	
Net current liabilities			<u>(3,760,687)</u>		<u>(3,180,512)</u>
Total assets less current liabilities			5,837,175		6,574,316
Provisions for liabilities					
Deferred tax	16		(24,158)		(106,577)
Net assets			<u>5,813,017</u>		<u>6,467,739</u>
Capital and reserves					
Called up share capital	17		135,698		135,698
Share premium account	18		550		550
Capital redemption reserve	18		448,096		448,096
Profit and loss account	18		5,228,673		5,883,395
Shareholders' funds	19		<u>5,813,017</u>		<u>6,467,739</u>

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

B E Swards (Chairman)
Director



Date 17 6 13

The notes on pages 10 to 23 form part of these financial statements

G.F. TOMLINSON GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	20	(2,285,273)	490,707
Returns on investments and servicing of finance	21	42,073	60,246
Taxation		481	-
Capital expenditure and financial investment	21	(615,809)	(706,399)
Equity dividends paid		-	(180,911)
Decrease in cash in the year		<u>(2,858,528)</u>	<u>(336,357)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Decrease in cash in the year	(2,858,528)	(336,357)
Movement in net funds in the year	(2,858,528)	(336,357)
Net funds at 1 January 2012	6,261,073	6,597,430
Net funds at 31 December 2012	<u>3,402,545</u>	<u>6,261,073</u>

The notes on pages 10 to 23 form part of these financial statements

G.F. TOMLINSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The group recorded a post tax loss of £3 48m in the year to 31 December 2012 (2011 loss of £0 43m) The loss reported at group level was principally due to a post tax loss of £3 22m made by G F Tomlinson Birmingham Limited, which also recorded a post tax loss of £1 46m in the year ended 31 December 2011 As noted in directors' report, a significant reorganisation and downsizing of this subsidiary has been undertaken since the year end Other subsidiary companies are trading in a satisfactory manner

The directors have prepared detailed financial projections for the group which reflect the restructuring costs associated with G F Tomlinson Birmingham Limited These show a return to underlying profitability for the group during 2013, and an ability to operate within the financing facilities likely to be available to it On this basis the directors believe it appropriate that the accounts are prepared on a going concern basis

1 2 Basis of consolidation

The financial statements consolidate the accounts of G F Tomlinson Group Limited and all of its subsidiary undertakings ('subsidiaries') All companies in the group have the same accounting reference date

The acquisition method of accounting has been adopted Under this method the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

1 3 Turnover

Turnover represents the value of work executed by the group during the year after the deduction of value added tax and excluding intra-group transactions

Turnover on operating leases (where the risks and rewards of ownership remain with the group) is recognised on a straight line basis over the period of the lease

1.4 Long-term work in progress

All long-term contracts have been valued by the directors at 31 December 2012 and that valuation is shown net of cumulative payments on account, in debtors as "amounts recoverable on contracts"

Losses are recognised as soon as they are foreseen Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date

Turnover reflects the external quantity surveyor's valuation of work done to the balance sheet date, with the appropriate cost figure included within cost of sales

G.F. TOMLINSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% per annum on cost where appropriate
Furniture, fittings, equipment and motor vehicles	-	25% per annum on the net book value

Freehold land is not depreciated.

1.6 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

G.F TOMLINSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies (continued)

1.11 Pensions

The group and company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group and company to the fund in respect of the year

2. Turnover

An analysis of turnover by class of business is as follows

	2012 £	2011 £
Building contracting	96,413,805	105,688,966
Plant hire	2,649,941	2,691,561
	<u>99,063,746</u>	<u>108,380,527</u>

All turnover arose within the United Kingdom

3. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the group	978,868	1,089,970
Hire of plant	2,857,924	3,397,663
Operating leases - motor vehicles	270,451	291,656
Operating leases - property	50,000	35,550
Profit on sale of tangible fixed assets	(5,126)	(455)
Exceptional administrative income	-	73,632
Exceptional administrative expenses - redundancy costs	531,173	-
	<u>531,173</u>	<u>-</u>

4. Auditors' remuneration

	2012 £	2011 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	12,150	12,150
Fees payable to the company's auditor and its associates in respect of		
The audit of subsidiaries	37,350	37,350
Taxation compliance services	8,550	8,550
	<u>37,350</u>	<u>37,350</u>

G.F. TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	14,496,846	16,228,014
Social security costs	1,438,429	1,651,783
Other pension costs	410,718	517,410
	<u>16,345,993</u>	<u>18,397,207</u>

The average monthly number of employees during the year, including the directors was as follows

	2012	2011
	No.	No.
Site based staff	232	300
Office based staff	163	182
	<u>395</u>	<u>482</u>

6. Directors' remuneration

	2012	2011
	£	£
Emoluments	<u>188,527</u>	<u>204,594</u>
Group pension contributions to defined contribution pension schemes	<u>4,427</u>	<u>4,427</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

7. Interest receivable

	2012	2011
	£	£
Bank interest receivable	<u>42,073</u>	<u>60,246</u>

G.F. TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8 Taxation

	2012	2011
	£	£
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on loss for the year	-	(5,547)
Adjustments in respect of prior periods	(481)	(3,028)
Total current tax	<u>(481)</u>	<u>(8,575)</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	(82,419)	(36,970)
Tax on loss on ordinary activities	<u>(82,900)</u>	<u>(45,545)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24% (2011 - 26%) The differences are explained below

	2012	2011
	£	£
Loss on ordinary activities before tax	(3,559,061)	(477,205)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 26%)	(854,175)	(124,073)
Effects of:		
(Income)/expenses not deductible for tax purposes	(13,222)	32,439
Difference between capital allowances and depreciation	232,011	18,369
Utilisation of tax losses	48,001	6,868
Adjustments to tax charge in respect of prior periods	(481)	(3,028)
Other timing differences	-	(1,064)
Unrelieved tax losses carried forward	587,385	67,461
Losses carried back	-	(5,547)
Current tax credit for the year (see note above)	<u>(481)</u>	<u>(8,575)</u>

Factors that may affect future tax charges

The group has tax losses carried forward of £2,447,000 (2011 - £259,466)

G.F. TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9 Tangible fixed assets

Group	Freehold land and buildings £	Furniture, fittings, equipment and motor vehicles £	Total £
Cost			
At 1 January 2012	8,196,849	10,863,741	19,060,590
Additions	258,199	465,473	723,672
Disposals	-	(545,326)	(545,326)
At 31 December 2012	<u>8,455,048</u>	<u>10,783,888</u>	<u>19,238,936</u>
Depreciation			
At 1 January 2012	598,722	7,676,908	8,275,630
Charge for the year	124,913	853,955	978,868
On disposals	-	(442,589)	(442,589)
At 31 December 2012	<u>723,635</u>	<u>8,088,274</u>	<u>8,811,909</u>
Net book value			
At 31 December 2012	<u>7,731,413</u>	<u>2,695,614</u>	<u>10,427,027</u>
At 31 December 2011	<u>7,598,127</u>	<u>3,186,833</u>	<u>10,784,960</u>

Included within furniture, fittings, equipment and motor vehicles are assets with a net carrying amount of £1,216,555 (2011 - £1,273,360) which are held for use as leased hire equipment

G.F. TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9 Tangible fixed assets (continued)

Company	Freehold land and buildings £	Furniture, fittings, equipment and motor vehicles £	Total £
Cost			
At 1 January 2012	8,405,582	2,389,399	10,794,981
Additions	258,199	9,660	267,859
Transfers intra group	-	8,172	8,172
Disposals	-	(49,487)	(49,487)
At 31 December 2012	<u>8,663,781</u>	<u>2,357,744</u>	<u>11,021,525</u>
Depreciation			
At 1 January 2012	598,722	1,435,937	2,034,659
Charge for the year	124,913	196,070	320,983
On disposals	-	(37,473)	(37,473)
At 31 December 2012	<u>723,635</u>	<u>1,594,534</u>	<u>2,318,169</u>
Net book value			
At 31 December 2012	<u>7,940,146</u>	<u>763,210</u>	<u>8,703,356</u>
At 31 December 2011	<u>7,806,860</u>	<u>953,462</u>	<u>8,760,322</u>

Included in freehold land and buildings for both the group and company is freehold land at cost of £2,418,026 (2011 - £2,418,026) which is not depreciated

10. Investment property

Group	Freehold investment property £
Valuation	
At 1 January 2012 and 31 December 2012	<u>772,506</u>
Company	
Valuation	
At 1 January 2012 and 31 December 2012	<u>772,506</u>

The 2012 valuations were made by the directors, on an open market value for existing use basis

G.F. TOMLINSON GROUP LIMITED

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11. Fixed asset investments

Group	Other investments £
Cost or valuation	
At 1 January 2012 and 31 December 2012	140,000
Impairment	
At 1 January 2012 and 31 December 2012	140,000
Net book value	
At 31 December 2012	-
At 31 December 2011	-
In prior years, the group made investments in unregulated investment schemes	
Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2012 and 31 December 2012	1,480,379
Impairment	
At 1 January 2012	1,258,379
Charge for the year	100,000
At 31 December 2012	1,358,379
Net book value	
At 31 December 2012	122,000
At 31 December 2011	222,000

G.F. TOMLINSON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12. Principal subsidiaries

Company name	Percentage shareholding	Nature of business
G F Tomlinson Building Limited	100% ordinary shares	Building contracting
G F Tomlinson Birmingham Limited	100% ordinary shares	Building contracting
G F Tomlinson & Sons Limited	100% ordinary shares	Building contracting and civil engineering
Total Hire & Sales Limited	100% ordinary shares	Plant hire
GFT Derby Limited	100% ordinary shares	Dormant
Total Site Accommodation Services Limited	100% ordinary shares	Dormant
G F Tomlinson Construction Limited	100% ordinary shares	Dormant
Tomlinson Gateway 38 Management Limited	100% ordinary shares	Dormant

All subsidiary undertakings are registered in England

13. Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Goods for resale and consumables	86,393	90,109	-	-
Developments in progress	2,123,137	2,117,971	2,123,137	2,117,971
	<u>2,209,530</u>	<u>2,208,080</u>	<u>2,123,137</u>	<u>2,117,971</u>

14. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	3,108,327	3,037,100	23,436	7,495
Amounts recoverable on contracts	12,834,746	14,041,912	-	-
Amounts owed by group undertakings	-	-	306,620	1,297,868
Other debtors	564,972	1,290,075	2,397	5,798
Prepayments	705,620	613,003	97,485	19,228
	<u>17,213,665</u>	<u>18,982,090</u>	<u>429,938</u>	<u>1,330,389</u>

G F. TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors
Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank overdraft	-	-	4,717,606	5,430,191
Invoice funding facility	1,143,431	-	-	-
Trade creditors	14,374,183	15,267,259	485,598	546,871
Amounts owed to group undertakings	-	-	360,337	-
Social security and other taxes	1,201,545	880,582	573,745	465,857
Other creditors	60,544	69,673	-	-
Accruals	10,361,499	11,205,113	177,022	186,472
	<u>27,141,202</u>	<u>27,422,627</u>	<u>6,314,308</u>	<u>6,629,391</u>

The bank overdraft is secured by an unlimited guarantee in respect of all group companies (refer to note 23)

Invoice funding balances are secured on the debts of the group, a floating charge over certain assets of the group, a guarantee executed by certain group companies and a personal guarantee of £175,000 given by each of B E Swards and A J S Swards

16 Deferred taxation

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	106,577	143,547	106,577	133,203
Profit and loss account	(82,419)	(36,970)	(82,419)	(26,626)
At end of year	<u>24,158</u>	<u>106,577</u>	<u>24,158</u>	<u>106,577</u>

The provision for deferred taxation is made up as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	<u>24,158</u>	<u>106,577</u>	<u>24,158</u>	<u>106,577</u>

17 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
135,698 Ordinary shares of £1 each	<u>135,698</u>	<u>135,698</u>

G.F TOMLINSON GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
Group			
At 1 January 2012	550	448,096	10,895,161
Loss for the year	-	-	(3,476,161)
	<u>550</u>	<u>448,096</u>	<u>7,419,000</u>
At 31 December 2012	<u>550</u>	<u>448,096</u>	<u>7,419,000</u>
	Share premium account £	Capital redemption reserve £	Profit and loss account £
Company			
At 1 January 2012	550	448,096	5,883,395
Loss for the year	-	-	(654,722)
	<u>550</u>	<u>448,096</u>	<u>5,228,673</u>
At 31 December 2012	<u>550</u>	<u>448,096</u>	<u>5,228,673</u>

19. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Group		
Opening shareholders' funds	11,479,505	11,911,165
Loss for the year	(3,476,161)	(431,660)
	<u>8,003,344</u>	<u>11,479,505</u>
Closing shareholders' funds	<u>8,003,344</u>	<u>11,479,505</u>
	2012 £	2011 £
Company		
Opening shareholders' funds	6,467,739	6,302,579
(Loss)/profit for the year	(654,722)	165,160
	<u>5,813,017</u>	<u>6,467,739</u>
Closing shareholders' funds	<u>5,813,017</u>	<u>6,467,739</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Net cash flow from operating activities

	2012	2011
	£	£
Operating loss	(3,601,134)	(537,451)
Depreciation of tangible fixed assets	978,868	1,089,970
Profit on disposal of tangible fixed assets	(5,126)	(455)
Increase in stocks	(1,450)	(50,231)
Decrease in debtors	1,768,425	764,559
Decrease in creditors	(1,424,856)	(775,685)
Net cash (outflow)/inflow from operating activities	(2,285,273)	490,707

21. Analysis of cash flows for headings netted in cash flow statement

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	42,073	60,246

	2012	2011
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(723,672)	(856,600)
Sale of tangible fixed assets	107,863	150,201
Net cash outflow from capital expenditure	(615,809)	(706,399)

22. Analysis of changes in net funds

	1 January	Cash flow	Other	31 December
	2012		non-cash	2012
	£	£	changes	£
Cash at bank and in hand	6,261,073	(1,715,097)	-	4,545,976
Invoice funding	-	(1,143,431)	-	(1,143,431)
Net funds	6,261,073	(2,858,528)	-	3,402,545

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23 Contingent liabilities

The company has guaranteed the bank borrowings and invoice funding balances of all group companies, which at 31 December 2012 amounted to £1,536,263 (2011 - £660,356) and £1,143,431 (2011 - £nil) respectively

A contingent liability existed at 31 December 2012 under guarantees given by the parent company to secure the due performance of certain contracts undertaken by various group companies

The group takes legal advice as to the outcome of claims, actions and investigations and no provision is made where the directors consider, based upon that advice, that the result of such claim, action or investigation is unlikely to succeed or cannot be reliably estimated

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from the assets of the group in an independently administered fund

The pension cost charge represents contributions payable by the group to the fund and amounted to £410,718 (2011 - £517,410). Contributions totalling £45,469 (2011 - £40,881) were payable to the fund at the balance sheet date

25. Operating lease commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
Group	£	£	£	£
Expiry date:				
Within 1 year	-	-	75,882	31,402
Between 2 and 5 years	112,000	-	74,223	218,566

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
Company	£	£	£	£
Expiry date:				
Within 1 year	-	-	2,871	-
Between 2 and 5 years	52,000	-	4,472	8,778

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Related party transactions

During the year the following transactions between the group and Derventio Management Limited, a company which is owned by B E Swards and A J S Swards, have taken place

	2012	2011
	£	£
Sales	1,272,144	14,593
Commissions received	16,376	14,593
Amounts due from/(to) Derventio Management Limited as at 31 December 2012	<u>1,096,644</u>	<u>(11,540)</u>

During the year the group paid rent of £38,997 (2011 - £nil) to The B E Swards 2011 Discretionary Trust, a trust in which B E Swards, a director of the company, is a trustee. At the year end £nil (2011 - £nil) was outstanding.

27 Controlling party

The company is controlled by its principal shareholder, B E Swards