

REGISTERED NUMBER: 04492421 (England and Wales)

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
FOR
TONROE GROUP LIMITED**

THURSDAY



A34 *A1HCMHOO* #306
13/09/2012
COMPANIES HOUSE

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	7
Consolidated Profit and Loss Account	9
Consolidated Balance Sheet	10
Company Balance Sheet	12
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	17

TONROE GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2012**

DIRECTORS:	M A McDonnell J Wild
SECRETARY:	J Wild
REGISTERED OFFICE:	24-26 Chapel Street Marlow Buckinghamshire SL7 1DD
REGISTERED NUMBER:	04492421 (England and Wales)
SENIOR STATUTORY AUDITOR:	Gerald Cochran
AUDITORS:	Cube Partners Limited, Statutory Auditor 5 Giffard Court Millbrook Close Northampton NN5 5JF

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of construction and project management, steel fabrication and groundwork

REVIEW OF BUSINESS

Tonroe Group Limited has had another outstanding year given the difficult trading conditions with 82% (73% in 2011) of our turnover coming from repeat clients. Our reputation for delivering excellence in our sector is unrivalled and is at the heart of our continued strong performance

Turnover has increased on the previous year and is a reflection of our steady growth plans coming to fruition. The average project size has started to increase in value as capital spending is increasing particularly within the pharmaceutical sector. We have continued to increase our Design and Project Management resources in line with our growth plan.

We have seen the gross profitability of the business increase in 2012 as we have further developed the design and build element of our business and strengthened our focus on the mechanical, electrical and process control elements of our projects which we previously sublet. The overhead of the business has however increased as a result of our investment to support our growth.

We have strengthened our infrastructure by investing in a new computing system which will increase our efficiency and give us stronger financial reporting tools to ensure our business remains under control through our business growth.

We have relocated to prestigious new offices in the heart of Marlow town centre which will allow us to move to the next phase of the company's growth.

TSL Projects - Ireland

In line with our strategy for developing overseas we have opened an office in Ireland. The company TSL Projects (Food & Pharmaceuticals) Limited is registered in Ireland and will trade in Euros to ensure that the business remains viable given any impending currency fluctuations. The economy in Ireland is very tough at present with a number of Projects which we were working on being postponed or cancelled due to funding issues, however, we remain committed to this market and confident that as the political stability over the Euro bailout has been reached investor confidence will return and projects will move forward.

TSL Projects Team

We have continued to grow and improve the business by developing our team through an approved and ongoing Training and Development Plan. This has involved a series of strategic workshops to ensure that the business has a robust infrastructure to support the growth plans.

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

It is our ethos to always promote from within and we have had a number of key appointments over the year which has strengthened the Senior Management Team. As always we are proud of the people who have helped to shape our business and through their dedication and commitment continue to deliver beyond expectations. The emphasis in our recruitment has been to develop our in house design resource and strengthen our Environmental and Process capabilities.

Health, Safety and Environmental Considerations

We have continued to invest heavily in our training and awareness for all of our team. Safety remains at the heart of our business and we pride ourselves in ensuring that we provide a safe environment for our own teams as well as our subcontract partners and clients to work in.

We continue to implement our waste management programmes and recycling initiatives both at our own offices and at all of our construction sites.

We have recently undertaken a number of initiatives around Behavioural Health and Safety encouraging our site teams to improve safety through changing behaviours which has proved very successful and are reflected in the excellent figures detailed below. We had 14 minor first Aid injuries and no RIDDORS. To improve the First Aid Injuries we have recently introduced a mandatory glasses and gloves policy which is being supported by our Site Teams.

Month	Total Hours Worked	No of 1st Aid Injuries	RIDDORS / LTI's	AFR/Injuries	AFR RIDDOR
July 2011	15429	2	0	12.9	0
August 2011	39634	0	0	0	0
September 2011	37552	0	0	0	0
October 2011	30396	0	0	0	0
November 2011	29293	0	0	0	0
December 2011	27872	0	0	0	0
January 2012	15817	1	0	6.3	0
February 2012	21162	0	0	0	0
March 2012	25053	0	0	0	0
April 2012	42491	3	0	7.0	0
May 2012	41399	4	0	9.6	0
June 2012	25080	4	0	15.9	0
Annual Totals	351178	14	0	3.9	0

We have recruited an additional two employees to strengthen our in house Team with their focus being on Quality and the Environment.

Clients Continued Support

This year has seen many of our clients starting to reinvest in their existing facilities. Confidence in the sectors we operate in is excellent and we can see an uplift in the number of projects being approved. We have increased the level of working together with our clients particularly in respect of giving design and budget support. This model is proving to be very successful for our clients as we focus on selling solutions not hours. This focus gives a high level of cost certainty when our clients progress with live projects which is critical in ensuring that they get ongoing support for further capital spending.

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

We are very proud of the fact that so much of our business has come from within our existing client base and we would like to thank all of them for their continued support

Specialist Subcontract Partners

We have continued to develop our strategy of working even closer with selected specialist sub contractors who bring an added dimension of knowledge and skills to our business. We would like to thank them for their continued support and look forward to sustained growth in the future.

Our focus this year is to continue supporting our partners whilst increasing their focus on raising the standards of the H&S and quality. We will be carrying out a programme of briefing sessions to our partners and quality audits to ensure that as we grow our supply chain grows with us.

Future Outlook

The commercial market in construction remains extremely competitive and we expect the remainder of 2012/13 to be a challenging year. To date the business has secured a number of high profile projects which will ensure a strong performance for the coming year whilst still remaining totally focussed on our core business.

Given the level of confirmed business for the year we are hopeful that our projections for turnover and profit will be met, however, we maintain our policy of not 'buying turnover' and only take projects at costs which enable us to operate to our core principles of openness and honesty to our clients.

This policy can sometimes make it more difficult to win work with new clients as we may not always be the lowest at tender and in tough economic times new clients are more inclined to take the lowest bid even if its below cost. Our strong level of repeat business however, has proven to us that this is the best policy for maintaining our long term future and we do not deviate.

Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risk and uncertainty relates to the potential further major downturn in the UK economy. This uncertainty has resulted in some clients reviewing the capital spends even after approvals have been given and projects are underway. This is difficult to predict and control, therefore we remain in constant dialogue with our clients to ensure that we are as realistic as possible with projections and quick to respond to changes in the scope and nature of our work.

Summary

Overall it has been an excellent year for the business in an extremely difficult economic time. The hard work of our team and continued delivery of outstanding projects has resulted in us achieving all our budgets with regard to turnover, gross and net profit. More importantly we have continued to build on our reputation with our clients whilst strengthening our team to facilitate our growth plans for the future.

We look forward to commencing work in Ireland and delivering a further strong performance in the UK.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2012 will be £245,000.

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2011 to the date of this report

M A McDonnell
J Wild

FINANCIAL INSTRUMENTS

The group's financial instruments comprise cash, trade debtors, trade creditors and bank overdrafts. The purpose of these financial instruments is to finance the group's trading operations.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group paid charitable donations totalling £3,141 (2011 £50). These donations were payable as follows:

£1,000 ADec Next Charity
£1,000 Sport Relief
£ 600 ISPE
£ 286 Raffle Donations
£ 255 Chester Grosvenor

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 and the group'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.

TONROE GROUP LIMITED (REGISTERED NUMBER 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

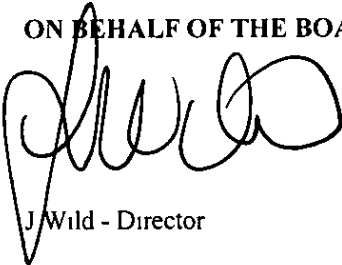
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

AUDITORS

The auditors, Cube Partners Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J Wild', written over the text 'ON BEHALF OF THE BOARD:'.

J Wild - Director

11 September 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TONROE GROUP LIMITED

We have audited the financial statements of Tonroe Group Limited for the year ended 30 June 2012 on pages nine to thirty. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page five, 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 Report of the Directors 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 of the parent company's affairs as at 30 June 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

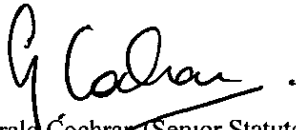
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONROE 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



Gerald Cochran (Senior Statutory Auditor)
for and on behalf of Cube Partners Limited, Statutory Auditor
5 Giffard Court
Millbrook Close
Northampton
NN5 5JF

12 September 2012

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 £	2011 £
TURNOVER		19,747,074	17,626,114
Cost of sales		17,540,307	16,081,417
GROSS PROFIT		2,206,767	1,544,697
Administrative expenses		1,418,298	1,221,794
OPERATING PROFIT	3	788,469	322,903
Interest receivable and similar income		319	2
		788,788	322,905
Interest payable and similar charges	4	28,460	13,723
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		760,328	309,182
Tax on profit on ordinary activities	5	195,798	73,020
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		564,530	236,162

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

CONSOLIDATED BALANCE SHEET
30 JUNE 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	8	1,082,258	339,887
Investments	9	-	-
		<u>1,082,258</u>	<u>339,887</u>
CURRENT ASSETS			
Stocks	10	11,565	33,071
Debtors	11	5,593,309	3,229,562
Cash at bank and in hand		1,071,155	1,765,274
		<u>6,676,029</u>	<u>5,027,907</u>
CREDITORS			
Amounts falling due within one year	12	6,275,832	4,675,984
NET CURRENT ASSETS		<u>400,197</u>	<u>351,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,482,455	691,810
CREDITORS			
Amounts falling due after more than one year	13	(560,831)	(93,909)
PROVISIONS FOR LIABILITIES	17	(24,491)	(20,298)
NET ASSETS		<u><u>897,133</u></u>	<u><u>577,603</u></u>

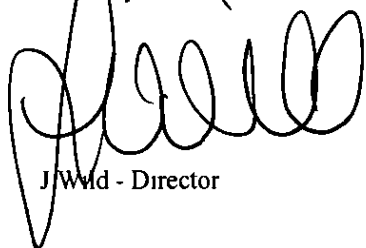
The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER 04492421)

CONSOLIDATED BALANCE SHEET - continued
30 JUNE 2012

	Notes	2012 £	2011 £
CAPITAL AND RESERVES			
Called up share capital	18	5,000	5,000
Profit and loss account	19	892,133	572,603
SHAREHOLDERS' FUNDS	22	<u>897,133</u>	<u>577,603</u>

The financial statements were approved by the Board of Directors on 11 September 2012 and were signed on its behalf by



J Wild - Director

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

COMPANY BALANCE SHEET
30 JUNE 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	771,914	-
Investments	9	289	200
		<u>772,203</u>	<u>200</u>
CURRENT ASSETS			
Debtors	11	13,832	4,627
Cash at bank		607	173
		<u>14,439</u>	<u>4,800</u>
CREDITORS			
Amounts falling due within one year	12	35,423	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(20,984)</u>	<u>4,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		751,219	5,000
CREDITORS			
Amounts falling due after more than one year	13	508,836	-
NET ASSETS		<u>242,383</u>	<u>5,000</u>
CAPITAL AND RESERVES			
Called up share capital	18	5,000	5,000
Profit and loss account	19	237,383	-
SHAREHOLDERS' FUNDS	22	<u>242,383</u>	<u>5,000</u>

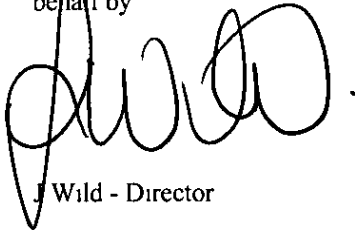
The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

COMPANY BALANCE SHEET - continued
30 JUNE 2012

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 11 September 2012 and were signed on its behalf by

A handwritten signature in black ink, appearing to be 'J. Wild', written over the text 'J Wild - Director'.

J Wild - Director

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	1	(8,013)	1,729,061
Returns on investments and servicing of finance	2	(28,141)	(13,721)
Taxation		(60,053)	(66,792)
Capital expenditure	2	(846,838)	(21,047)
Equity dividends paid		(245,000)	(343,000)
		(1,188,045)	1,284,501
Financing	2	493,926	109,407
(Decrease)/increase in cash in the period		(694,119)	1,393,908
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(694,119)	1,393,908
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(481,163)	117,242
Change in net funds resulting from cash flows		(1,175,282)	1,511,150
New finance leases		-	(177,695)
Movement in net funds in the period		(1,175,282)	1,333,455
Net funds at 1 July		1,610,438	276,983
Net funds at 30 June		435,156	1,610,438

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	788,469	322,903
Depreciation charges	93,766	87,151
Loss on disposal of fixed assets	10,699	2,220
Decrease/(increase) in stocks	21,506	(27,471)
(Increase)/decrease in debtors	(2,375,637)	24,354
Increase in creditors	1,453,184	1,319,904
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	<u>(8,013)</u>	<u>1,729,061</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	319	2
Interest paid	(22,062)	(456)
Interest element of hire purchase payments	(6,398)	(13,267)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	<u>(28,141)</u>	<u>(13,721)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(894,705)	(49,936)
Sale of tangible fixed assets	47,867	28,889
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	<u>(846,838)</u>	<u>(21,047)</u>
 Financing		
New loans in year	536,546	-
Capital repayments in year	(55,381)	(95,742)
Amount introduced by directors	39,311	205,149
Amount withdrawn by directors	(26,550)	-
	<u> </u>	<u> </u>
Net cash inflow from financing	<u>493,926</u>	<u>109,407</u>

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 7 11 £	Cash flow £	At 30 6 12 £
Net cash			
Cash at bank and in hand	1,765,274	(694,119)	1,071,155
	<u>1,765,274</u>	<u>(694,119)</u>	<u>1,071,155</u>
 Debt			
Hire purchase	(154,836)	55,381	(99,455)
Debts falling due within one year	-	(27,708)	(27,708)
Debts falling due after one year	-	(508,836)	(508,836)
	<u>(154,836)</u>	<u>(481,163)</u>	<u>(635,999)</u>
 Total	<u>1,610,438</u>	<u>(1,175,282)</u>	<u>435,156</u>

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings up to 30 June 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss from the date of acquisition.

Turnover

Turnover represents works performed by the Company and its subsidiary undertakings (excluding value added tax) in respect of goods and services provided in the ordinary course of business. Turnover is recognised once recoverability is deemed reasonably certain. It includes sales and all invoiced completed contracts together with the value of work certified on contracts in progress where profit can be ascertained. Retentions withheld from contract sums are assessed on a contract by contract basis and credited to the profit and loss account when recovery is considered reasonably certain. Claims and damages are credited to turnover when agreed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Long-term contracts

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous periods. Provision is made for any losses as soon as they are foreseen.

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	2,358,690	2,302,612
Social security costs	288,580	254,770
	<u>2,647,270</u>	<u>2,557,382</u>

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

	2012	2011
Construction operatives	43	30
Administration and site management	5	3
Directors	2	2
	<u>50</u>	<u>35</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

3 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Hire of plant and machinery	382,845	154,938
Other operating leases	104,076	92,562
Depreciation - owned assets	58,680	39,689
Depreciation - assets on hire purchase contracts	35,088	47,460
Loss on disposal of fixed assets	10,699	2,222
Auditors' remuneration	17,000	11,500
	<u>14,352</u>	<u>12,104</u>
Directors' remuneration	<u>14,352</u>	<u>12,104</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	288	456
Mortgage arrangement fees	7,100	-
Mortgage	14,674	-
Hire purchase	6,398	13,267
	<u>28,460</u>	<u>13,723</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	191,605	60,053
Deferred tax	4,193	12,967
	<u>195,798</u>	<u>73,020</u>
Tax on profit on ordinary activities	<u>195,798</u>	<u>73,020</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>760,328</u>	<u>309,182</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.350% (2011 - 28%)	192,743	86,571
Effects of Expenses not deductible for tax purposes	(561)	(8,968)
Timing differences between depreciation and capital allowances	(577)	(9,096)
Marginal relief at small companies rate	-	(8,454)
Current tax charge	<u>191,605</u>	<u>60,053</u>

6 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £482,383 (2011 - £343,000)

7 DIVIDENDS

	2012 £	2011 £
Interim	<u>245,000</u>	<u>343,000</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

8 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvement to property £	Plant and machinery £
COST			
At 1 July 2011	-	-	204,809
Additions	771,914	25,921	2,507
Disposals	-	-	(115,643)
At 30 June 2012	771,914	25,921	91,673
DEPRECIATION			
At 1 July 2011	-	-	100,008
Charge for year	-	-	12,191
Eliminated on disposal	-	-	(58,165)
At 30 June 2012	-	-	54,034
NET BOOK VALUE			
At 30 June 2012	771,914	25,921	37,639
At 30 June 2011	-	-	104,801

TONROE GROUP LIMITED (REGISTERED NUMBER. 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

8 TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2011	5,565	300,869	49,924	561,167
Additions	46,336	9,955	38,072	894,705
Disposals	-	(1,928)	-	(117,571)
At 30 June 2012	51,901	308,896	87,996	1,338,301
DEPRECIATION				
At 1 July 2011	4,968	74,016	42,288	221,280
Charge for year	6,565	56,453	18,559	93,768
Eliminated on disposal	-	(840)	-	(59,005)
At 30 June 2012	11,533	129,629	60,847	256,043
NET BOOK VALUE				
At 30 June 2012	40,368	179,267	27,149	1,082,258
At 30 June 2011	597	226,853	7,636	339,887

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012**

8 TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1 July 2011	215,045
Transfer to ownership	(44,850)
At 30 June 2012	170,195
DEPRECIATION	
At 1 July 2011	43,450
Charge for year	35,088
Transfer to ownership	(13,555)
At 30 June 2012	64,983
NET BOOK VALUE	
At 30 June 2012	105,212
At 30 June 2011	171,595

Company

	Freehold property £
COST	
Additions	771,914
At 30 June 2012	771,914
NET BOOK VALUE	
At 30 June 2012	771,914

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2011	200
Additions	89
At 30 June 2012	289
NET BOOK VALUE	
At 30 June 2012	289
At 30 June 2011	200

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

TSL Projects Limited

Nature of business Construction and Project Management

	%		
Class of shares	holding	2012	2011
Ordinary	100 00	£	£
Aggregate capital and reserves		853,917	804,683
Profit for the year		545,234	607,988

Tonroe Steel Limited

Nature of business Steel Fabrication and Groundwork

	%		
Class of shares	holding	2012	2011
Ordinary	100 00	£	£
Aggregate capital and reserves		(199,166)	(232,079)
Profit/(loss) for the year		32,913	(371,828)

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012**

9 FIXED ASSET INVESTMENTS - continued

TSL Projects (Food & Pharmaceuticals) Limited

Country of incorporation Republic of Ireland

Nature of business Dormant

	%	
Class of shares	holding	
Ordinary 1 Euro	100 00	
		2012
		£
Aggregate capital and reserves		<u>89</u>

10 STOCKS

	Group	
	2012	2011
	£	£
Stocks	<u>11,565</u>	<u>33,071</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	4,977,773	2,577,762	-	-
Amounts owed by group undertakings	-	-	82	4,627
Amounts recoverable on contract	553,566	611,732	-	-
Other debtors	5,399	8,792	-	-
Directors' current accounts	-	11,890	-	-
Prepayments and accrued income	-	-	13,750	-
Prepayments	56,571	19,386	-	-
	<u>5,593,309</u>	<u>3,229,562</u>	<u>13,832</u>	<u>4,627</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 14)	27,708	-	27,708	-
Hire purchase contracts (see note 15)	47,460	60,927	-	-
Trade creditors	4,775,053	3,799,836	-	-
Tax	191,605	60,053	-	-
Social security and other taxes	244,610	145,160	-	-
VAT	696,562	217,639	-	-
Other creditors	52,973	71,565	-	-
Directors' current accounts	871	-	-	-
Accrued expenses	238,990	320,804	7,715	-
	<u>6,275,832</u>	<u>4,675,984</u>	<u>35,423</u>	<u>-</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 14)	508,836	-	508,836	-
Hire purchase contracts (see note 15)	51,995	93,909	-	-
	<u>560,831</u>	<u>93,909</u>	<u>508,836</u>	<u>-</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012**

14 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	<u>27,708</u>	<u>-</u>	<u>27,708</u>	<u>-</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>28,835</u>	<u>-</u>	<u>28,835</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>93,226</u>	<u>-</u>	<u>93,226</u>	<u>-</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>386,775</u>	<u>-</u>	<u>386,775</u>	<u>-</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable		
Within one year	47,460	60,927
Between one and five years	<u>51,995</u>	<u>93,909</u>
	<u>99,455</u>	<u>154,836</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year

Group	Land and buildings	
	2012	2011
	£	£
Expiring		
Between one and five years	<u>-</u>	<u>63,000</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	536,544	-	536,544	-
Hire purchase contracts	<u>99,455</u>	<u>154,836</u>	<u>-</u>	<u>-</u>
	<u>635,999</u>	<u>154,836</u>	<u>536,544</u>	<u>-</u>

Amounts due under hire purchase contracts are secured on the assets to which they relate

The bank mortgage loan is secured by first legal charge over the freehold property

The group has provided its bankers with a cross guarantee in respect of any borrowings by companies within the group. The guarantee also encompasses the borrowings of former group companies.

17 PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	<u>24,491</u>	<u>20,298</u>

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

17 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 July 2011	20,298
Accelerated capital allowances	4,193
Balance at 30 June 2012	24,491

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value £1	2012 £	2011 £
5,000	Ordinary		5,000	5,000

19 RESERVES

Group

	Profit and loss account £
At 1 July 2011	572,603
Profit for the year	564,530
Dividends	(245,000)
At 30 June 2012	892,133

Company

	Profit and loss account £
Profit for the year	482,383
Dividends	(245,000)
At 30 June 2012	237,383

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2012

20 TRANSACTIONS WITH DIRECTORS

During the year the directors have received dividends totalling £245,000 (2011 - £343,000)

During the year the directors maintained an interest free joint loan account with the company At 30 June 2012 a balance of £871 (2011 - £11,890 due to the company) was due to the directors

A group company occupied a freehold property owned by the directors for part of the year Rent totalling £27,500 has been charged during the year (2011 - £30,000)

21 ULTIMATE CONTROLLING PARTY

The ultimate controlling party for this and the preceding year is deemed to be jointly the director's M A McDonnell and J Wild by virtue of their holding of the entire share capital of Tonroe Group Limited

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011
	£	£
Profit for the financial year	564,530	236,162
Dividends	<u>(245,000)</u>	<u>(343,000)</u>
Net addition/(reduction) to shareholders' funds	319,530	(106,838)
Opening shareholders' funds	<u>577,603</u>	<u>684,441</u>
Closing shareholders' funds	<u><u>897,133</u></u>	<u><u>577,603</u></u>

Company

	2012	2011
	£	£
Profit for the financial year	482,383	343,000
Dividends	<u>(245,000)</u>	<u>(343,000)</u>
Net addition to shareholders' funds	237,383	-
Opening shareholders' funds	<u>5,000</u>	<u>5,000</u>
Closing shareholders' funds	<u><u>242,383</u></u>	<u><u>5,000</u></u>