

REGISTERED NUMBER: 04492421 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
FOR
TONROE GROUP LIMITED**

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FOR THE YEAR ENDED 30 JUNE 2016**

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TONROE GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

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: Steven Jones ACA

AUDITORS:

Cube Partners Limited, Statutory Auditor
5 Giffard Court
Millbrook Close
Northampton
NN5 5JF

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their strategic report for the year ended 30 June 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of Design, Project Management and Construction of Projects within the Food, Pharmaceutical and Hi Tech manufacturing sectors.

REVIEW OF BUSINESS

Tonroe Group Limited has had another outstanding year given the difficult trading conditions with 92% of our turnover coming from existing clients. Our reputation for delivering excellence in our sector is unrivalled and is at the heart of our continued strong performance

TSL Projects Ltd

The results for the subsidiary show healthy pre-tax profit of £1,565,597 (30 June 2015 £962,263) and turnover has increased 19% to £78,774,144 (30 June 2015 £64,006,171) in line with our business forecasts.

To support the forecast growth of the business we have continued to invest heavily in our infrastructure and in adding to our central management team. This has resulted in an increase in our overhead costs of 8% YOY, however as a percentage of turnover, our overheads have reduced from 3.1% down to 2.9% in line with the business plan. Due to a committed order book of in excess of £100m for 2016/17 overheads as a percentage of turnover will further reduce, thereby increasing the underlying profitability of the company

We continue to operate from premises in Newcastle, Lymm and Dublin and have extended both our Marlow and Lymm operations by moving into the adjacent premises to accommodate the new members of our team.

The average project size has continued to increase in value as capital spending is increasing particularly within the food sector. We have recently completed our second state of the art production facility for Greencore and have been chosen as their partner on a third facility which will be constructed through this financial year. Similarly we have also secured three other new food facilities for this financial year, showing continuing dominance of the food sector.

We have also strengthened our presence in the supply chain sector working on our first RDC for Lidl, a logistics / picking facility for Hello Fresh and two projects for Amazon. This will remain a key area of focus for growth in 2017.

The pharmaceutical market is also seeing signs of growth with us recently completing projects for Sanofi. GSK and Eli Lilly, with further works being undertaken in 2017 for Custom Pharmaceuticals and ConvaTec.

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.

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 and Directorial 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 TSL Projects 'in house' design resource and strengthen our Environmental and Process capabilities which we have done through 2016 and will continue into 2017.

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.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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 Reporting of Injuries, Diseases and Dangerous Occurrences Regulation (RIDDOR) figures detailed below.

Breakdown of Monthly Statistics Year End 30 June 2016					
Month	Total Hours Worked	Including Sub-Contractors		AFR / Injuries	AFR RIDDOR/ LTI's
		No of 1st Aid Injuries	No of RIDDOR / LTI's		
July 2015	75,700.50	1	0	1.3	0
August 2015	62,179.00	0	0	0.0	0
September 2015	77,126.00	4	0	5.1	0
October 2015	78,283.50	0	0	0.0	0
November 2015	74,373.00	1	0	1.6	0
December 2015	54,069.00	1	0	1.8	0
January 2016	59,336.00	1	0	1.6	0
February 2016	72,488.00	1	0	1.3	0
March 2016	72,920.00	0	0	0.0	0
April 2016	78,260.00	1	0	1.2	0
May 2016	77,237.00	0	0	1.2	0
June 2016	77,767.00	0	0	1.1	0
Annual Return	859,739	10	0	1.1	0

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 ensuring capital plans are aligned with outturn costs. 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.

We are very proud of the fact that so much of our business has come from within our existing client base and through their recommendation to the peers within other companies looking for investment partners for capital projects, 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 support and look forward to sustained growth in the future.

As our growth continues we are constantly monitoring the performance of our supply chain to ensure that we are managing the level of work we are giving individual companies and aligning this with their capabilities. This will ensure that we remain loyal to our ongoing partners but that we can also accommodate the larger projects that we are undertaking.

Our focus this year is to continue supporting our partners in continuing to raise the standards of the H&S and quality. We will continue our programme of briefing sessions with our partners and quality audits to ensure that our high standards are maintained.

Future Outlook

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

To date the business has secured a number of high profile projects which will ensure a strong performance for the coming year which will see us break the £100m turnover target for this financial year. We also have a significant pipeline of projects moving forward into 2017/18 which gives us confidence to stride forward with our plans for investment in our infrastructure.

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 it's 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.

2017 will see us further target the logistics sector and maintain our position as number one within the food sector.

Summary

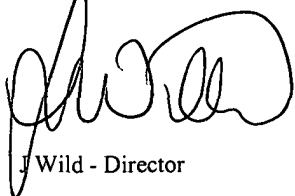
Overall it has been an excellent year for the business in an extremely difficult economic time. The hard work of our team and continued delivery of outstanding projects has resulted in us achieving all our budgets with regard to turnover, gross and net profit. More importantly we have continued to build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

We look forward to delivering a further strong performance in 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the groups strategy are subject to a number of risks. The key business risk and uncertainty relates to client confidence in the post Brexit economy. This is difficult to predict and control, therefore we remain in constant dialogue with our clients to ensure we are as realistic as possible with projections and quick to respond to changes in the scope and nature of our work.

ON BEHALF OF THE BOARD:



J Wild - Director

10 February 2017

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2016**

The Directors present their strategic report and audited financial statements for the year ended 30 June 2016.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2016 will be £500,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2015 to the date of this report.

M A McDonnell
J Wild

FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash, trade debtors, trade creditors and bank overdraft. The purpose of these financial instruments is to finance the company's operations. The financial instruments are immaterial to the entity and have no significant impact on the profit and loss and equity.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, 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;
- state whether applicable 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 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.

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.

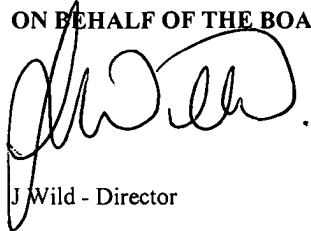
TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2016**

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

10 February 2017

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 2016 on pages eight to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' Responsibilities Statement 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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.

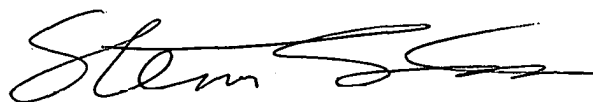
Opinion on other matter prescribed by the Companies Act 2006

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

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.



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

13 February 2017

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

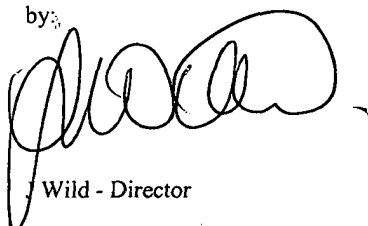
	Notes	2016 £	2015 £
TURNOVER		78,774,149	64,006,173
Cost of sales		75,688,065	61,040,449
GROSS PROFIT		3,086,084	2,965,724
Administrative expenses		2,062,866	1,899,934
OPERATING PROFIT	4	1,023,218	1,065,790
Interest receivable and similar income		4,110	1,941
		1,027,328	1,067,731
Interest payable and similar charges	5	29,445	37,442
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		997,883	1,030,289
Tax on profit on ordinary activities	6	197,084	216,604
PROFIT FOR THE FINANCIAL YEAR		800,799	813,685
OTHER COMPREHENSIVE INCOME			
Foreign Currency		75	57
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		75	57
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		800,874	813,742
Profit attributable to: Owners of the parent		800,799	813,685
Total comprehensive income attributable to: Owners of the parent		800,874	813,742

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	1,320,743	1,251,304
Investments	10	12,238	12,238
Investment property	11	-	-
		<u>1,332,981</u>	<u>1,263,542</u>
CURRENT ASSETS			
Debtors	12	24,473,762	14,030,375
Cash at bank and in hand		<u>5,576,158</u>	<u>5,156,606</u>
		30,049,920	19,186,981
CREDITORS			
Amounts falling due within one year	13	<u>28,370,500</u>	<u>17,659,204</u>
NET CURRENT ASSETS		<u>1,679,420</u>	<u>1,527,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,012,401	2,791,319
CREDITORS			
Amounts falling due after more than one year	14	(420,857)	(495,181)
PROVISIONS FOR LIABILITIES	18	<u>(24,165)</u>	<u>(29,633)</u>
NET ASSETS		<u><u>2,567,379</u></u>	<u><u>2,266,505</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	5,000	5,000
Other reserves	20	(144)	(219)
Retained earnings	20	<u>2,562,523</u>	<u>2,261,724</u>
SHAREHOLDERS' FUNDS		<u><u>2,567,379</u></u>	<u><u>2,266,505</u></u>

The financial statements were approved by the Board of Directors on 10 February 2017 and were signed on its behalf by:



Wild - Director

The notes form part of these financial statements

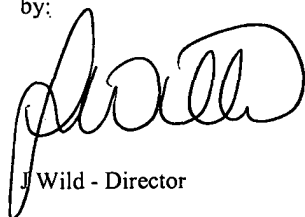
TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

COMPANY STATEMENT OF FINANCIAL POSITION
30 JUNE 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	-	-
Investments	10	12,527	12,527
Investment property	11	771,914	771,914
		<u>784,441</u>	<u>784,441</u>
CURRENT ASSETS			
Debtors	12	28,200	28,200
Cash at bank		166,561	136,729
		<u>194,761</u>	<u>164,929</u>
CREDITORS			
Amounts falling due within one year	13	133,513	130,588
NET CURRENT ASSETS		<u>61,248</u>	<u>34,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>845,689</u>	<u>818,782</u>
CREDITORS			
Amounts falling due after more than one year	14	374,282	409,203
NET ASSETS		<u><u>471,407</u></u>	<u><u>409,579</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	5,000	5,000
Retained earnings	20	466,407	404,579
SHAREHOLDERS' FUNDS		<u><u>471,407</u></u>	<u><u>409,579</u></u>

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

The financial statements were approved by the Board of Directors on 10 February 2017 and were signed on its behalf by:



J Wild - Director

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 July 2014	5,000	1,709,039	(276)	1,713,763
Changes in equity				
Dividends	-	(261,000)	-	(261,000)
Total comprehensive income	-	813,685	57	813,742
Balance at 30 June 2015	<u>5,000</u>	<u>2,261,724</u>	<u>(219)</u>	<u>2,266,505</u>
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	800,799	75	800,874
Balance at 30 June 2016	<u>5,000</u>	<u>2,562,523</u>	<u>(144)</u>	<u>2,567,379</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2014	-	350,399	350,399
Changes in equity			
Issue of share capital	5,000	-	5,000
Dividends	-	(261,000)	(261,000)
Total comprehensive income	-	315,180	315,180
Balance at 30 June 2015	<u>5,000</u>	<u>404,579</u>	<u>409,579</u>
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	561,828	561,828
Balance at 30 June 2016	<u>5,000</u>	<u>466,407</u>	<u>471,407</u>

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	23	1,552,229	2,919,005
Interest paid		(15,245)	(19,117)
Interest element of hire purchase payments paid		(14,200)	(18,325)
Tax paid		(325,131)	(177,076)
Net cash from operating activities		<u>1,197,653</u>	<u>2,704,487</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(262,507)	(73,087)
Sale of tangible fixed assets		27,893	7,538
Interest received		4,110	1,941
Net cash from investing activities		<u>(230,504)</u>	<u>(63,608)</u>
Cash flows from financing activities			
Capital repayments in year		(47,644)	(162,126)
Amount introduced by directors		500,001	331,818
Amount withdrawn by directors		(499,954)	(331,359)
Equity dividends paid		(500,000)	(261,000)
Net cash from financing activities		<u>(547,597)</u>	<u>(422,667)</u>
Increase in cash and cash equivalents		<u>419,552</u>	<u>2,218,212</u>
Cash and cash equivalents at beginning of year	24	5,156,606	2,938,394
Cash and cash equivalents at end of year	24	<u>5,576,158</u>	<u>5,156,606</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATUTORY INFORMATION

TSL Projects Limited is a private limited liability company, incorporated and domiciled in the United Kingdom. The principle place of business is 24-26 Chapel Street, Marlow, Buckinghamshire, SL7 1DD

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

This is the first set of financial statements that have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the UK Generally Accepted Accounting Practice and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings up to 30 June 2016. 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.

Significant judgements and estimates

In the application of the accountancy policies, management have been required to make judgements, estimates and assumptions. These estimates which relate to the carrying values of assets, liabilities and long term contracts (as detailed out below), where not readily available from other sources are based on underlying assumptions and experience. Actual results may differ from these estimates. The estimates and assumptions are viewed on an on-going basis.

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.

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.

Retentions from contract sums are only recognised once the Company is certain the contractual obligations of the contract have been fulfilled. Retentions withheld from contract sums are assessed on a contract by contract basis and credited or charged to the profit and loss account when released.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016**

2. ACCOUNTING POLICIES - continued

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.

Improvement to property	- Over the term of the lease
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The company has a policy of continual repair and maintenance of its freehold property. The company does not consider that the freehold building will suffer depreciation, or any depreciation will be insignificant. The company has applied the true and fair override to the requirements of FRS102 section 17 and is not applying depreciation to this class of tangible fixed asset.

Taxation

Current Tax

Current tax is calculated on the profits for the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is provided in full on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset or liability is realised or settled.

Deferred taxation liabilities are not discounted.

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.

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties and loans with related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an assets carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short- term highly liquid investments with original maturities of three months or less.

Trade and Other Debtors

Trade and other debtors including amounts owed to group companies are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate. Subsequently these are measured at amortised cost less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

Trade and Other Creditors

Trade and other creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	4,395,337	3,907,598
Social security costs	530,525	463,663
Other pension costs	29,278	3,991
	<u>4,955,140</u>	<u>4,375,252</u>

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

	2016	2015
Construction operatives	59	68
Administration and site management	23	14
Directors	2	2
	<u>84</u>	<u>84</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Hire of plant and machinery	585,290	645,697
Other operating leases	42,185	64,429
Depreciation - owned assets	61,801	60,010
Depreciation - assets on hire purchase contracts	108,937	95,518
(Profit)/loss on disposal of fixed assets	(5,563)	538
Auditors' remuneration	20,000	17,000
Foreign exchange differences	6,831	(672)
Non audit services (all relates to this company)	38,983	39,559
	<u>17,171</u>	<u>15,964</u>
Directors' remuneration	<u>17,171</u>	<u>15,964</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest on tax	117	2,497
Mortgage	15,128	16,620
Hire purchase	14,200	18,325
	<u>29,445</u>	<u>37,442</u>

6. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	202,552	224,498
Overprovision in prior year	-	(165)
Total current tax	<u>202,552</u>	<u>224,333</u>
Deferred tax	<u>(5,468)</u>	<u>(7,729)</u>
Tax on profit on ordinary activities	<u>197,084</u>	<u>216,604</u>

Reconciliation of total tax charge included in profit and loss

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

Tax effects relating to effects of other comprehensive income

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £561,828 (2015 - £315,180).

8. DIVIDENDS

	2016 £	2015 £
Interim	500,000	261,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvement to property £	Plant and machinery £
COST			
At 1 July 2015	771,914	25,921	153,866
Additions	-	-	109,760
At 30 June 2016	771,914	25,921	263,626
DEPRECIATION			
At 1 July 2015	-	-	58,922
Charge for year	-	-	47,098
Eliminated on disposal	-	-	-
At 30 June 2016	-	-	106,020
NET BOOK VALUE			
At 30 June 2016	771,914	25,921	157,606
At 30 June 2015	771,914	25,921	94,944

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2015	87,416	585,464	110,802	1,735,383
Additions	-	152,747	-	262,507
Disposals	-	(55,228)	-	(55,228)
At 30 June 2016	87,416	682,983	110,802	1,942,662
DEPRECIATION				
At 1 July 2015	75,398	250,987	98,772	484,079
Charge for year	3,246	114,019	6,375	170,738
Eliminated on disposal	-	(32,898)	-	(32,898)
At 30 June 2016	78,644	332,108	105,147	621,919
NET BOOK VALUE				
At 30 June 2016	8,772	350,875	5,655	1,320,743
At 30 June 2015	12,018	334,477	12,030	1,251,304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

9. 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 2015	533,367
Additions	152,747
Disposals	(55,228)
At 30 June 2016	630,886
DEPRECIATION	
At 1 July 2015	219,218
Charge for year	108,937
Eliminated on disposal	(32,898)
At 30 June 2016	295,257
NET BOOK VALUE	
At 30 June 2016	335,629
At 30 June 2015	314,149

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Shares in group undertakings	-	-	289	289
Other investments not loans	12,238	12,238	12,238	12,238
	<u>12,238</u>	<u>12,238</u>	<u>12,527</u>	<u>12,527</u>

Additional information is as follows:

Group

Investments (neither listed nor unlisted) were as follows:

	2016 £	2015 £
Art work	<u>12,238</u>	<u>12,238</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

10. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £
COST	
At 1 July 2015	
and 30 June 2016	289
NET BOOK VALUE	
At 30 June 2016	289
At 30 June 2015	289

Investments (neither listed nor unlisted) were as follows:

	2016 £	2015 £
Art work	12,238	12,238

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

TSL Projects Limited

Nature of business: Construction and Project Management

	% holding	2016 £	2015 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		2,091,993	1,853,023
Profit for the year		738,970	759,507

Tonroe Steel Limited

Nature of business: Steel Fabrication and Groundwork

	% holding	2016 £	31.12.14 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		-	100

Tonroe Steel Limited was dissolved on 15 December 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

10. FIXED ASSET INVESTMENTS - continued

TSL Projects (Food & Pharmaceuticals) Limited

Country of incorporation: Republic of Ireland

Nature of business: Construction and project management

Class of shares:	%
Ordinary 1 Euro	holding 100.00

	2016	2015
	£	£
Aggregate capital and reserves	4,165	4,309

11. INVESTMENT PROPERTY
CompanyTotal
£

FAIR VALUE

At 1 July 2015
and 30 June 2016

771,914

NET BOOK VALUE

At 30 June 2016

771,914

At 30 June 2015

771,914

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	15,247,517	12,204,047	28,200	28,200
Amounts recoverable on contract	6,091,388	1,771,621	-	-
Other debtors	3,113,960	40,048	-	-
Prepayments	20,897	14,659	-	-
	<u>24,473,762</u>	<u>14,030,375</u>	<u>28,200</u>	<u>28,200</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 15)	34,923	33,710	34,923	33,710
Hire purchase contracts (see note 16)	138,314	112,847	-	-
Trade creditors	16,269,032	10,310,954	-	-
Amounts owed to group undertakings	-	-	71,879	71,879
Tax	101,299	224,499	15,700	13,849
Social security and other taxes	341,488	267,419	-	-
VAT	1,036,365	1,346,156	4,697	4,685
Other creditors	-	24,419	-	-
Directors' current accounts	1,024	977	-	-
Accrued expenses	10,448,055	5,338,223	6,314	6,465
	<u>28,370,500</u>	<u>17,659,204</u>	<u>133,513</u>	<u>130,588</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans (see note 15)	374,282	409,203	374,282	409,203
Hire purchase contracts (see note 16)	46,575	85,978	-	-
	<u>420,857</u>	<u>495,181</u>	<u>374,282</u>	<u>409,203</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>34,923</u>	<u>33,710</u>	<u>34,923</u>	<u>33,710</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>36,179</u>	<u>34,923</u>	<u>36,179</u>	<u>34,923</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>116,536</u>	<u>112,489</u>	<u>116,536</u>	<u>112,489</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>221,567</u>	<u>261,791</u>	<u>221,567</u>	<u>261,791</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	138,314	112,847
Between one and five years	<u>46,575</u>	<u>85,978</u>
	<u>184,889</u>	<u>198,825</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	409,205	442,913	409,205	442,913
Hire purchase contracts	184,889	198,825	-	-
	<u>594,094</u>	<u>641,738</u>	<u>409,205</u>	<u>442,913</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.

18. PROVISIONS FOR LIABILITIES

	Group	
	2016	2015
	£	£
Deferred tax	<u>24,165</u>	<u>29,633</u>
Group		
		Deferred tax
		£
Balance at 1 July 2015		29,633
Accelerated capital allowances		<u>(5,468)</u>
Balance at 30 June 2016		<u>24,165</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

The rights attached to each class of shares are as follows:

Ordinary Shares have full voting rights in respect of all company matters including the voting of dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

20. RESERVES

Group

	Retained earnings £	Other reserves £	Totals £
At 1 July 2015	2,261,724	(219)	2,261,505
Profit for the year	800,799		800,799
Dividends	(500,000)		(500,000)
Foreign currency reserve	-	75	75
	<u>2,562,523</u>	<u>(144)</u>	<u>2,562,379</u>
At 30 June 2016			

Company

	Retained earnings £
At 1 July 2015	404,579
Profit for the year	561,828
Dividends	(500,000)
	<u>466,407</u>
At 30 June 2016	

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 June 2016 and 30 June 2015:

	2016 £	2015 £
Mrs J Wild		
Balance outstanding at start of year	(289)	(198)
Amounts advanced	249,879	158,203
Amounts repaid	(250,000)	(158,294)
Balance outstanding at end of year	<u>(410)</u>	<u>(289)</u>
M A McDonnell		
Balance outstanding at start of year	(688)	(320)
Amounts advanced	250,074	173,156
Amounts repaid	(250,000)	(173,524)
Balance outstanding at end of year	<u>(614)</u>	<u>(688)</u>

During the year the directors have received dividends totalling £500,000 (2015 - £261,000)
There are no fixed terms of repayment or interest charged on these loans.

22. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

23. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit for the financial year	800,799	813,685
Depreciation charges	170,739	155,528
(Profit)/loss on disposal of fixed assets	(5,563)	538
Finance costs	29,445	37,442
Finance income	(4,110)	(1,941)
Taxation	197,084	216,604
	<u>1,188,394</u>	<u>1,221,856</u>
Increase in trade and other debtors	(10,443,852)	(7,284,054)
Increase in trade and other creditors	<u>10,807,687</u>	<u>8,981,203</u>
Cash generated from operations	<u><u>1,552,229</u></u>	<u><u>2,919,005</u></u>

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u><u>5,576,158</u></u>	<u><u>5,156,606</u></u>

Year ended 30 June 2015

	30.6.15	1.7.14
	£	£
Cash and cash equivalents	<u><u>5,156,606</u></u>	<u><u>2,938,394</u></u>

25. FIRST YEAR ADOPTION

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not had a significant impact on profit and loss or equity.