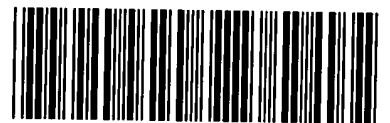


REGISTERED NUMBER: 04492421 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
FOR
TONROE GROUP LIMITED**

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FOR THE YEAR ENDED 30 JUNE 2017**

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TONROE GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2017**

DIRECTORS: M A McDonnell
J Wild

SECRETARY: J Wild

REGISTERED OFFICE: Chalfont Park House
Chalfont Park
Gerrards Cross
Buckinghamshire
SL9 0DZ

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

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their strategic report for the year ended 30 June 2017.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The group has had another outstanding year. The significant majority of our turnover has been achieved through a combination of repeat business from clients within the food, pharma and hi tech sectors, but also from our growing strength within the logistics sector. The pipeline of new work into 2018/19 is very strong.

2017 has seen us carry out our first project within the US which was delivered under very tight timescales and due to its success has resulted in two further projects being secured for 2018. TSL Projects Limited ("TSL"), the principle trading subsidiary company, has also set up operations in Germany to pursue European opportunities post Brexit.

To support the forecast growth of the business we have continued to invest heavily in our infrastructure and strengthening our management teams. TSL was identified as a 'Sector Standout Organisation' by a major business growth consultancy, and we continue to work closely with them to reach our potential for sustainable growth both in the UK and abroad. Our CEO, Jackie Wild was also selected by Grant Thornton as one of the '100 faces of a vibrant economy' in recognition of the vision and strategy which TSL is pursuing.

With our move to the new prestigious head office in Gerrards Cross, we have successfully repositioned the group for the next phase of growth. We have updated our corporate logo and image, relaunched the website and gained valuable space to house our growing team. We continue to operate from our regional premises in Newcastle, Lymm and Dublin.

Our dominance in the food sector remains. Capital spending within this sector is very buoyant, with the average project size continuing to increase in value.

We have seen an increase in Feasibility Studies and we remain focussed and committed in understanding, developing and delivering state of the art production facilities for all of our clients.

We continue to strengthen our presence in the supply chain sector securing additional RDC's for both Lidl & Amazon. Alongside the Hi Tech market this will remain a key area of focus for growth in 2017/18. We continue to remain focused on developing further the pharmaceutical market.

Key Performance Indicators

The groups' key performance indicators focus on TSL and are as follows:

Pre-tax profit - This has increased from £920,597 in 2016 to £2,591,839 in 2017

Turnover growth - An increase of 29% which is in keeping with our business forecasts.

Gross profit margin - Which has shown an increase from 3.9% in 2016 to 5.35% in 2017.

Pipeline orders - Strong pipeline of confirmed business for 2018/19

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. It is our ethos to always promote from within and we 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 TSL Projects 'in house' design resource and strengthen our Environmental and Process capabilities which we have done through 2017 and will continue into 2018.

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

Annual Accident Frequency Rate 2011 - 2017			
Year End	Total Hours Worked	AFR / Injuries	AFR RIDDOR / LTI's
June 2012	351,178	3.99	0.00
June 2013	484,745	3.71	0.21
June 2014	501,412	2.98	0.00
June 2015	726,604	2.20	0.00
June 2016	859,739	1.40	0.00
June 2017	1,100,740	1.27	0.00

Achievement to Date this Financial Year

- Achieved OVER 3.5 MILLION working hours without a recordable (>3 Day Injury) or Reportable Injury (RIDDOR Over 7 Day Injury). This is a major milestone and an excellent achievement by the business/whole team
- Awarded the ROSPA Gold Award for the 4th successive year for the Management of Occupational Health and Safety. Two Silvers and four Golds to date
- Retained SafeContractorSSIP Accreditation
- Achieved SafeContractor Plus Accreditation (Corporate and Social responsibility values)
- Achieved AVETTA SSIP Accreditation (Tesco requirement)

Project HSQE Management Tools

- HSQE Video Induction Film which details our requirements and expectations regarding HSQE
- Robust Permit to Work System Operated on all projects
- Daily safety & co-ordination meetings with all sub-contractor Supervisors / Managers
- Weekly Project manager Site Safety Inspections
- Allocated HSQE Team member who undertakes a minimum of one visit per week and is always available during working hours by phone or email for advice / guidance
- X1 weekly Safety Team inspection and fortnightly HSQE scored audit
- Weekly Task Specific Tool Box Talks
- Take 5 Point of Work Risk Assessments operated on all projects

Clients Continued Support

This year has seen many of our clients reinvesting in their existing facilities. Confidence in the sectors we operate in is excellent and we continue to see a high level of projects being approved. We have developed our close working relationship with our clients particularly in respect of giving design and budget support. Our model proves 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 to 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 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 continue to strengthen our supply chain to cope with our growth strategy. We would like to thank them for their support and look forward to sustained growth in the future.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

As the groups growth continues we constantly monitor the performance of our supply chain to ensure that we are managing the level of work we award individual companies and aligning this with their capabilities. This ensures that we remain loyal to our ongoing partners and facilitate the larger projects that we are undertaking.

Our focus this year is to continue supporting our partners 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

To date TSL has secured a number of high profile projects which will ensure a strong performance for the coming 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 will continue to develop our US Business and focus on growth into Europe.

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.

2018 will see us further target the logistics and automotive sector, as well as maintaining our position as number one within the food sector.

TSL is embracing technology and leading edge engineering to create the most efficient production facility in each food sector, reducing environmental impact through symbiotic relationships and redefining the future of food production and consumption.

Summary

Overall it has been another excellent year for the group in a testing 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 2018 as we continue to focus on gaining critical mass in our core markets, and develop a lead in innovation through strategic partnerships.

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 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.

FINANCIAL INSTRUMENTS

The groups' exposure to credit risk, price risk and liquidity risk are managed as follows:

Credit Risk

The group undertakes appropriate credit agency checks on new customers and major suppliers before engaging in a trading relationship.

Price Risk

The group manages the risk of major supply price change by agreeing fixed pricing ahead of a contract commencing.

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Liquidity Risk

The group maintains a mix of short and long term finance to ensure the company has sufficient funds available to meet obligations as they fall due.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J Wild', is positioned above the name 'J Wild - Director'.

J Wild - Director

11 December 2017

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2017**

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 2017 will be £500,000.

FUTURE DEVELOPMENTS

Details relating to future developments are set out in the Strategic Report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2016 to the date of this report.

M A McDonnell

J Wild

POST BALANCE SHEET EVENT

The company is in the final stages of negotiating the sale of one of its investment properties. The balance sheet includes the investment property at the anticipated sale price; being the fair value.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

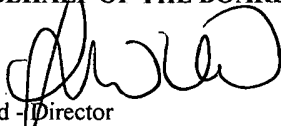
TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2017**

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:


J Wild - Director

11 December 2017

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

Opinion

We have audited the financial statements of Tonroe Group Limited (the 'parent company') for the year ended 30 June 2017 which comprise Statement of Comprehensive Income, Balance sheet, Statement of Changes in Equity, Statement of Cashflows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

Responsibilities of directors

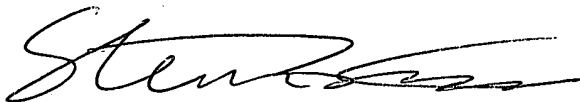
As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



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

11 December 2017

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 £	2016 £
TURNOVER		101,231,902	78,774,149
Cost of sales		95,811,143	75,688,065
GROSS PROFIT		5,420,759	3,086,084
Administrative expenses		2,801,172	2,062,866
		2,619,587	1,023,218
Other operating income		9,651	-
OPERATING PROFIT	4	2,629,238	1,023,218
Interest receivable and similar income		4,186	4,110
		2,633,424	1,027,328
Interest payable and similar expenses	5	39,210	29,445
PROFIT BEFORE TAXATION		2,594,214	997,883
Tax on profit	6	518,697	197,084
PROFIT FOR THE FINANCIAL YEAR		2,075,517	800,799
OTHER COMPREHENSIVE INCOME			
Foreign Currency		267	75
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		267	75
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,075,784	800,874
Profit attributable to: Owners of the parent		2,075,517	800,799
Total comprehensive income attributable to: Owners of the parent		2,075,784	800,874

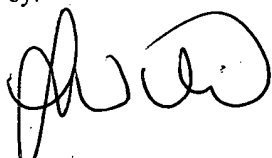
The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED BALANCE SHEET
30 JUNE 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	6,856,760	1,320,743
Investments	10	12,238	12,238
Investment property	11	-	-
		<u>6,868,998</u>	<u>1,332,981</u>
CURRENT ASSETS			
Debtors	12	23,097,020	24,473,762
Cash at bank and in hand		<u>6,138,165</u>	<u>5,576,158</u>
		29,235,185	30,049,920
CREDITORS			
Amounts falling due within one year	13	<u>27,920,930</u>	<u>28,370,500</u>
NET CURRENT ASSETS		<u>1,314,255</u>	<u>1,679,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,183,253	3,012,401
CREDITORS			
Amounts falling due after more than one year	14	(4,020,010)	(420,857)
PROVISIONS FOR LIABILITIES	18	<u>(20,080)</u>	<u>(24,165)</u>
NET ASSETS		<u><u>4,143,163</u></u>	<u><u>2,567,379</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	5,000	5,000
Other reserves		123	(144)
Retained earnings		<u>4,138,040</u>	<u>2,562,523</u>
SHAREHOLDERS' FUNDS		<u><u>4,143,163</u></u>	<u><u>2,567,379</u></u>

The financial statements were approved by the Board of Directors on 11 December 2017 and were signed on its behalf by:



J Wild - Director

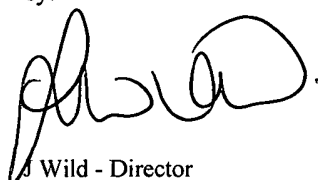
The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**COMPANY BALANCE SHEET
30 JUNE 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	-	-
Investments	10	12,527	12,527
Investment property	11	6,596,255	771,914
		<u>6,608,782</u>	<u>784,441</u>
CURRENT ASSETS			
Debtors	12	1,019,304	28,200
Cash at bank		168,233	166,561
		<u>1,187,537</u>	<u>194,761</u>
CREDITORS			
Amounts falling due within one year	13	3,126,572	133,513
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,939,035)</u>	<u>61,248</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,669,747</u>	<u>845,689</u>
CREDITORS			
Amounts falling due after more than one year	14	(3,773,103)	(374,282)
PROVISIONS FOR LIABILITIES	18	<u>(80,386)</u>	<u>-</u>
NET ASSETS		<u><u>816,258</u></u>	<u><u>471,407</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	5,000	5,000
Other reserves		342,700	-
Retained earnings		468,558	466,407
SHAREHOLDERS' FUNDS		<u><u>816,258</u></u>	<u><u>471,407</u></u>
Company's profit for the financial year		<u><u>844,851</u></u>	<u><u>561,828</u></u>

The financial statements were approved by the Board of Directors on 11 December 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 2017**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 July 2015	5,000	2,261,724	(219)	2,266,505
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>
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	2,075,517	267	2,075,784
Balance at 30 June 2017	<u>5,000</u>	<u>4,138,040</u>	<u>123</u>	<u>4,143,163</u>

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 July 2015	5,000	404,579	-	409,579
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	561,828	-	561,828
Balance at 30 June 2016	5,000	466,407	-	471,407
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	502,151	342,700	844,851
Balance at 30 June 2017	5,000	468,558	342,700	816,258

The notes form part of these financial statements

TONROE GROUP LIMITED (REGISTERED NUMBER: 04492421)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	23	6,818,292	1,552,229
Interest paid		(18,879)	(15,245)
Interest element of hire purchase payments paid		(20,331)	(14,200)
Tax paid		(281,914)	(325,131)
Net cash from operating activities		<u>6,497,168</u>	<u>1,197,653</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,491,238)	(262,507)
Sale of tangible fixed assets		62,123	27,893
Interest received		4,186	4,110
Net cash from investing activities		<u>(5,424,929)</u>	<u>(230,504)</u>
Cash flows from financing activities			
Capital repayments in year		(21,417)	(47,644)
Amount introduced by directors		500,000	500,001
Amount withdrawn by directors		(488,815)	(499,954)
Equity dividends paid		(500,000)	(500,000)
Net cash from financing activities		<u>(510,232)</u>	<u>(547,597)</u>
Increase in cash and cash equivalents		<u>562,007</u>	<u>419,552</u>
Cash and cash equivalents at beginning of year	24	5,576,158	5,156,606
Cash and cash equivalents at end of year	24	<u><u>6,138,165</u></u>	<u><u>5,576,158</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. STATUTORY INFORMATION

Tonroe Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. 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 2017. 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.

Critical judgment and estimation uncertainty

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 2017**

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 group 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

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxation

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES - continued

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.

Financial instruments

The group 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 group 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 balance sheet 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. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	4,793,021	4,395,337
Social security costs	583,093	530,525
Other pension costs	27,415	29,278
	5,403,529	4,955,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

3. **EMPLOYEES AND DIRECTORS - continued**

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

	2017	2016
Construction operatives	69	59
Administration and site management	23	23
Directors	2	2
	<u>94</u>	<u>84</u>

There are no directors to whom pension benefits are accruing.

	2017	2016
	£	£
Directors' remuneration	<u>16,155</u>	<u>17,171</u>

4. **OPERATING PROFIT**

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

	2017	2016
	£	£
Hire of plant and machinery	783,263	585,290
Other operating leases	55,947	42,185
Depreciation - owned assets	72,099	61,801
Depreciation - assets on hire purchase contracts	126,483	108,937
Loss/(profit) on disposal of fixed assets	8,341	(5,563)
Auditors' remuneration	20,000	20,000
Foreign exchange differences	5,281	6,831
Non audit services - Statutory financial statements	9,000	9,000
Non audit services - Taxation compliance	1,200	1,200
Non audit services - Payroll services	9,600	9,600
Non audit services - Advisory, consultancy and other services	<u>31,960</u>	<u>19,183</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank loan interest	1,064	-
Interest on tax	-	117
Mortgage	17,815	15,128
Hire purchase	<u>20,331</u>	<u>14,200</u>
	<u>39,210</u>	<u>29,445</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

6. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	522,782	202,552
Deferred tax	(4,085)	(5,468)
Tax on profit	<u>518,697</u>	<u>197,084</u>

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>2,594,214</u>	<u>997,883</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.750% (2016 - 20%)	512,357	199,577
Effects of:		
Capital allowances in excess of depreciation	(4,085)	(5,469)
Expenses not deductible for tax purposes	4,532	3,944
adjustments		
Timing differences between depreciation and capital allowances	5,893	(968)
Total tax charge	<u>518,697</u>	<u>197,084</u>

Tax effects relating to effects of other comprehensive income

	2017		
	Gross £	Tax £	Net £
Foreign Currency	<u>267</u>	<u>-</u>	<u>267</u>
	2016		
	Gross £	Tax £	Net £
Foreign Currency	<u>75</u>	<u>-</u>	<u>75</u>

7. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

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.

8. **DIVIDENDS**

	2017 £	2016 £
Interim	<u>500,000</u>	<u>500,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvement to property £	Plant and machinery £
COST			
At 1 July 2016	771,914	25,921	263,626
Additions	5,401,255	-	57,700
At 30 June 2017	6,173,169	25,921	321,326
DEPRECIATION			
At 1 July 2016	-	-	106,020
Charge for year	-	-	55,533
Eliminated on disposal	-	-	-
At 30 June 2017	-	-	161,553
NET BOOK VALUE			
At 30 June 2017	6,173,169	25,921	159,773
At 30 June 2016	771,914	25,921	157,606

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2016	87,416	682,983	110,802	1,942,662
Additions	-	346,108	-	5,805,063
Disposals	-	(191,410)	-	(191,410)
At 30 June 2017	87,416	837,681	110,802	7,556,315
DEPRECIATION				
At 1 July 2016	78,644	332,108	105,147	621,919
Charge for year	4,053	137,883	1,113	198,582
Eliminated on disposal	-	(120,946)	-	(120,946)
At 30 June 2017	82,697	349,045	106,260	699,555
NET BOOK VALUE				
At 30 June 2017	4,719	488,636	4,542	6,856,760
At 30 June 2016	8,772	350,875	5,655	1,320,743

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

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 2016	630,886
Additions	313,825
Disposals	(191,410)
At 30 June 2017	753,301
DEPRECIATION	
At 1 July 2016	295,257
Charge for year	126,483
Eliminated on disposal	(120,946)
At 30 June 2017	300,794
NET BOOK VALUE	
At 30 June 2017	452,507
At 30 June 2016	335,629

10. FIXED ASSET INVESTMENTS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
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:

	2017 £	2016 £
Art work	<u>12,238</u>	<u>12,238</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

10. FIXED ASSET INVESTMENTS - continued

Company

Shares in
group
undertakings
£

COST

At 1 July 2016
and 30 June 2017

289

NET BOOK VALUE

At 30 June 2017

289

At 30 June 2016

289

Investments (neither listed nor unlisted) were as follows:

	2017 £	2016 £
Art work	12,238	12,238

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

Registered office: Chalfont Park House, Chalfont Park, Gerrards Cross, Buckinghamshire SL9 0DZ

Nature of business: Construction and Project Management

	% holding	2017 £	2016 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		3,665,362	2,091,993
Profit for the year		2,073,369	738,970

TSL Projects (Food & Pharmaceuticals) Limited

Registered office: 18 Westland Square, Pearse Street, Dublin, Republic of Ireland

Nature of business: non trading

	% holding	2017 £	2016 £
Class of shares:	100.00		
Ordinary 1 Euro			
Aggregate capital and reserves		4,429	4,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

11. INVESTMENT PROPERTY - continued

11. INVESTMENT PROPERTY
Company

	Total £
FAIR VALUE	
At 1 July 2016	771,914
Additions	5,401,255
Revaluations	423,086
At 30 June 2017	6,596,255
NET BOOK VALUE	
At 30 June 2017	6,596,255
At 30 June 2016	771,914

Fair value at 30 June 2017 is represented by:

	£
Valuation in 2017	6,596,255

If investment property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	6,173,169	771,914

Investment property was valued on an open market basis on 30 June 2017 by the Directors.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	7,197,420	15,247,517	-	28,200
Amounts recoverable on contract	10,613,757	6,091,388	-	-
Other debtors	3,172,380	3,113,960	-	-
VAT	1,005,441	-	1,019,304	-
Accrued income	1,095,978	-	-	-
Prepayments	12,044	20,897	-	-
	23,097,020	24,473,762	1,019,304	28,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,222,179	34,923	1,222,179	34,923
Hire purchase contracts (see note 16)	230,390	138,314	-	-
Trade creditors	13,266,547	16,269,032	18,000	-
Amounts owed to group undertakings	-	-	1,874,796	71,879
Tax	342,167	101,299	470	15,700
Social security and other taxes	273,764	341,488	-	-
VAT	-	1,036,365	-	4,697
Other creditors	262,436	-	-	-
Directors' current accounts	12,209	1,024	-	-
Accrued expenses	12,311,238	10,448,055	11,127	6,314
	<u>27,920,930</u>	<u>28,370,500</u>	<u>3,126,572</u>	<u>133,513</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 15)	3,773,103	374,282	3,773,103	374,282
Hire purchase contracts (see note 16)	246,907	46,575	-	-
	<u>4,020,010</u>	<u>420,857</u>	<u>3,773,103</u>	<u>374,282</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>1,222,179</u>	<u>34,923</u>	<u>1,222,179</u>	<u>34,923</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>217,481</u>	<u>36,179</u>	<u>217,481</u>	<u>36,179</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>660,728</u>	<u>116,536</u>	<u>660,728</u>	<u>116,536</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>2,894,894</u>	<u>221,567</u>	<u>2,894,894</u>	<u>221,567</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	230,390	138,314
Between one and five years	246,907	46,575
	<u>477,297</u>	<u>184,889</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	4,995,282	409,205	4,995,282	409,205
Hire purchase contracts	477,297	184,889	-	-
	<u>5,472,579</u>	<u>594,094</u>	<u>4,995,282</u>	<u>409,205</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 groups bank holds a multilateral guarantee between the group companies and a related company.

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax				
Other timing differences	-	-	80,386	-
Deferred tax	20,080	24,165	-	-
	<u>20,080</u>	<u>24,165</u>	<u>80,386</u>	<u>-</u>

Group

	Deferred tax
	£
Balance at 1 July 2016	24,165
Accelerated capital allowances	(4,085)
Balance at 30 June 2017	<u>20,080</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2017**

18. PROVISIONS FOR LIABILITIES - continued

Company	Deferred tax £
Investment property revalued	80,386
Balance at 30 June 2017	<u>80,386</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016
Number:	Class:		£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the period:

	2017 £	2016 £
Balance outstanding at start of year	(1,024)	(977)
Amounts advanced	488,815	499,953
Amounts repaid	(500,000)	(500,000)
Balance outstanding at end of year	<u>(12,209)</u>	<u>(1,024)</u>

The maximum balance outstanding during the year was £290,560.
There are no fixed terms of repayment or interest charged on these amounts.

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

As at the 30 June 2017, the group was owed £2,924,035 (2016: £3,077,633) from companies under common control. There are no formal terms of repayment or interest associated with this balance.

During the year the group accrued costs for services of £751,500 (2016: £795,000) by companies under common control.

During the year the group provided construction services of £1,095,978 to directors. Directors received dividends totalling £500,000 (2016: £500,000) during the year.

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 2017

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

	2017	2016
	£	£
Profit for the financial year	2,075,517	800,799
Depreciation charges	198,581	170,739
Loss/(profit) on disposal of fixed assets	8,341	(5,563)
Finance costs	39,210	29,445
Finance income	(4,186)	(4,110)
Taxation	518,697	197,084
	2,836,160	1,188,394
Decrease/(increase) in trade and other debtors	5,899,111	(10,443,852)
(Decrease)/increase in trade and other creditors	(1,916,979)	10,807,687
Cash generated from operations	6,818,292	1,552,229

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	6,138,165	5,576,158

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	5,576,158	5,156,606