

# John Turner & Sons (Preston) Limited

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Company Number 2343739

## DIRECTORS

Mr I Rankin, BSc, CEng

Mr J G Ward, ARICS

Mr R G West, MBA, BSc, CEng

Chairman and Managing Director

Construction Director

Company Secretary

## SECRETARY

Mr R G West

## AUDITORS

Ernst & Young

Commercial Union House

Albert Square

Manchester M2 6LP

## BANKERS

The Royal Bank of Scotland plc

Salford Quays Branch

Navigation House

Furness Quay

Salford M5 2XY

## SOLICITORS

Pannone, March, Pearson

123 Deansgate

Manchester M3 2BU

## REGISTERED OFFICE

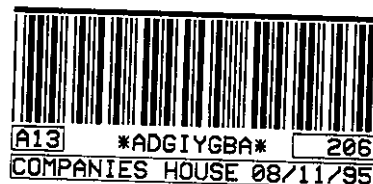
Preston Road

Grimsargh

Preston

Lancashire PR2 4SD

ERNST & YOUNG



## CHAIRMAN'S REPORT

### OVERVIEW

Despite the unfavourable economic background, 1994/95 saw the continued consolidation of the company's growth and the achievement of a satisfactory trading result.

The growth of the company since the management buy-out of 6 years ago was measured by our inclusion in the top 150 North West building companies as listed in Northern Builder.

### NEW PREMISES

Our premises continue to provide both a modern and stimulating work environment as well as serving as a trading asset and as a clear demonstration of the quality of our work. They have also proved versatile in accommodating company growth.

### 1994/95 TRADE AND PERFORMANCE

For the sixth consecutive year, turnover increased, exceeding £13m. Operating and pre tax profit increased to £171,000 (up 22%) and £153,000 (up 45%) respectively.

Our balance sheet remains strong with continued healthy cash and net current asset positions.

### MAIN CONTRACTS

Contracts were generally executed to budget and to the satisfaction of clients, many of whom it is pleasing to note are "repeat" clients. The one exception was hindered by shortages of bricklayers due to the substantial influx of Government grant assisted projects in the locality at the same time and the attraction of high earnings in Germany. However, these losses have been accommodated within this year's figures.

New clients for the company included Attwaters Limited, British Nuclear Fuels Limited, Blackpool Airport plc, The R.C. Diocese of Salford, Southport Flower Show Limited and Lawtec.

### MINOR CONTRACTS

This division continued to successfully meet both client needs and trading targets confirming it as an important market sector.

Again a significant amount of repeat business was undertaken, while new clients gained during the year included Accrington and Rossendale College, Eagle Star Properties, Bodycare and Norwest Seafoods.

### JOINERY DIVISION

The steady progress of this division in obtaining more external outlets for their skills and services has allowed the greater utilisation of joinery manufacturing, one of our traditional areas of strength and expertise and the significant investment we have undertaken in the joinery shop.

### JTS ELECTRICAL

This division continues to successfully serve its growing client base and make a contribution towards the company's profit.

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CHAIRMAN'S REPORT

**ADMINISTRATION**

The major emphasis of the company to recruit key skilled and experienced professionally qualified personnel in the disciplines of contract and site management, quantity surveying and estimating, in order to ensure that its growth is matched by the necessary support staff so as not to jeopardise the company's high standards has successfully continued.

Our formal quality assurance control programme continues to be carried out on a day to day basis in line with the requirements of BS 5750.

The continued success of our Profit Related Pay scheme has assisted in retaining loyal and skilled employees which can only benefit the standard of the work that we carry out. An equivalent scheme is in place for 1995/96.

The upgrading of our computerised systems has been successfully concluded. Training and safety remain important issues for the company and are the subject of continuing initiatives regarding Construction (Design and Management) Regulations (CDM) and the Construction Skills Certification Scheme (CSCS).

**THE WIDER COMMUNITY**

The company continued to carry out its responsibilities in the wider community, principally through its membership of and active participation in the "Preston Partnership", a body set up to promote the wider Preston area.

**THE FUTURE**

The economic climate remains uncertain with its effects on the construction industry severe. Moreover there appears to be no indication of an improvement in trading conditions in the foreseeable future.

In addition the introduction of the CDM regulations will have a significant effect on the industry.

However, with our premises proving the platform for our continued development, our employees motivated and skilled, our management in place and our continuing sales drive backed by performance on site I believe that we are as well placed as any building company in the North West to handle the changing market and at the same time maintain our reputation for our high quality of work.

As a company, we all look forward to meeting the challenge.



I Rankin  
Chairman

# John Turner & Sons (Preston) Limited

## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1995.

### RESULTS AND DIVIDENDS

The profit on ordinary activities, after taxation, profit sharing and other bonuses to employees, including directors, amounted to £102,892 (1994: £88,554).

The directors do not recommend the payment of a dividend (1994 : £38,000).

### REVIEW OF BUSINESS

A satisfactory trading result was achieved during a further difficult year for the construction industry. Turnover grew for the sixth consecutive year.

The balance sheet position remains strong.

### FUTURE DEVELOPMENTS

In the continuing recession, the directors anticipate a similar result for the coming year. While a reduction in turnover may be expected, following last year's sharp increase, the company has confirmed contracts for more than £8,000,000.

### FIXED ASSETS

The movements in fixed assets during the year are set out in the notes to the accounts.

### DIRECTORS AND THEIR INTERESTS

The directors at 31 March 1995 and their interests in the share capital of the company were as follows:

	31 March 1995	31 March 1994
	£1 Ordinary shares	£1 Ordinary shares
Mr I Rankin	49,999	49,999
Mr J G Ward	-	-
Mr R G West	-	-

Mr R G West and Mr J G Ward jointly hold one £1 ordinary share as nominee for Mr I Rankin.

### AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment was submitted at the Annual General Meeting.

By order of the Board

R G West

Secretary

Date

12.10.95.

STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS****to the members of John Turner & Sons (Preston) Limited**

We have audited the accounts on pages 7 to 17 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 10 and 11.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

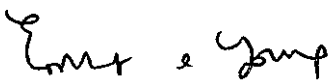
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young

Chartered Accountants

Registered Auditor

Manchester

Date 2 November 1995

# John Turner & Sons (Preston) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	Notes	1995 £	1994 £
<b>TURNOVER</b>	2	13,464,080	8,550,320
Cost of sales		12,505,856	7,733,042
Gross profit		958,224	817,278
Administrative expenses		787,341	685,066
<b>OPERATING PROFIT</b>	3(a)	170,883	132,212
Interest payable	6	(48,498)	(46,670)
Interest receivable	7	30,483	19,472
		(18,015)	(27,198)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		152,868	105,014
Tax on profit on ordinary activities	8	49,976	16,460
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		102,892	88,554
Dividends	9	-	38,000
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>		102,892	50,554
Retained profit brought forward		739,579	689,025
<b>RETAINED PROFIT CARRIED FORWARD</b>		842,471	739,579

### TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the retained profit for the year.

# John Turner & Sons (Preston) Limited

## BALANCE SHEET

at 31 March 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	10	1,581,455	1,517,983
<b>CURRENT ASSETS</b>			
Stocks	11	128,897	88,477
Debtors	12	2,108,127	1,242,016
Cash at bank and in hand	13	1,092,146	788,257
		3,329,170	2,118,750
<b>CREDITORS: amounts falling due within one year</b>	14	3,275,284	2,080,742
<b>NET CURRENT ASSETS</b>		53,886	38,008
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,635,341	1,555,991
<b>CREDITORS: amounts falling due after more than one year</b>	15	527,184	549,243
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Other provisions	19	215,686	217,169
		742,870	766,412
		892,471	789,579
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	50,000	50,000
Profit and loss account	21	842,471	739,579
		892,471	789,579

Approved by the Board on

12/10/95

Mr I Rankin Director

*Ian Rankin*

Mr R G West Director

*Robert West*



# John Turner & Sons (Preston) Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 March 1995

	Notes	1995 £	1994 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	3(b)	590,174	137,355
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Dividends paid		(38,000)	-
Bank interest received		30,483	19,472
Interest paid		(42,001)	(42,143)
Interest element of finance leases and hire purchase payments		(6,497)	(4,527)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(56,015)	(27,198)
<b>TAXATION</b>			
Corporation tax paid		(19,455)	(47,961)
<b>TAX PAID</b>		(19,455)	(47,961)
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(160,934)	(90,341)
Receipts from sale of fixed assets		4,200	15,817
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(156,734)	(74,524)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		357,970	(12,328)
<b>FINANCING</b>			
Repayment of capital element of finance leases and hire purchase contracts	17	38,578	26,746
Repayment of capital element of bank loan	16	15,503	13,337
<b>NET CASH OUTFLOW FROM FINANCING</b>		54,081	40,083
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	13	303,889	(52,411)
		357,970	(12,328)

### MAJOR NON-CASH TRANSACTIONS

During the year the company entered into finance leases and hire purchase contracts in respect of assets with a total capital value at the inception of the contract of £26,390 (1994: £53,140).

NOTES TO THE ACCOUNTS

at 31 March 1995

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards.

*Depreciation*

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

Freehold buildings	-	over 50 years
Fixed plant and machinery	-	over 25 years
Plant and machinery	-	over 3 to 8 years
Office equipment	-	over 3 to 10 years
Motor vehicles	-	over 4 years

*Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on purchase cost on a first-in, first-out basis.

Long term contract work in progress is valued at direct cost and relates to contracts in progress where the outcome is not reasonably foreseeable, and for which payment has not been received.

Profits on long term contracts are taken when the outcome of a contract can be reasonably foreseen, as a proportion of the estimated profit on the contract which is appropriate to the work carried out in the period. No credit is taken for claims made by the company until agreed. Provision is made for anticipated losses on contracts and claims against the company as soon as these are identified.

*Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

*Leasing commitments*

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease or the contract and represents a constant proportion of capital repayments outstanding.

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 1. ACCOUNTING POLICIES (continued)

#### *Pensions*

The Company operates two pension schemes, a defined contribution scheme and a defined benefit scheme.

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

Defined benefit scheme contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees working lives. The regular cost is attributed to individual years using the projected unit credit method. Variations in pensions cost, which are identified as a result of external valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

### 2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities and is stated net of value added tax. All turnover is derived in the United Kingdom.

### 3. OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1995 £	1994 £
Depreciation of owned fixed assets	94,536	77,066
Depreciation of assets held under finance leases and hire purchase contracts	29,227	39,869
Profit on sale of fixed assets	(4,111)	(10,110)
Auditors' remuneration - audit fees	8,300	8,000
Auditors' remuneration - non audit services	100	2,242
Hire of plant and machinery	146,009	94,878

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	1995 £	1994 £
Operating profit	170,883	132,212
Depreciation	123,763	116,935
Profit on sale of tangible fixed assets	(4,111)	(10,110)
Decrease in provisions for liabilities and charges	(1,483)	(19,895)
Increase in stock	(40,420)	(18,875)
Increase in debtors	(866,111)	(120,920)
Increase in creditors	1,207,653	58,008
Net cash inflow from operating activities	590,174	137,355

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 4. DIRECTORS' REMUNERATION

	1995	1994
	£	£
Fees	19,888	19,247
Other emoluments (including profit share bonus and pension contributions)	119,589	116,136
	<u>139,477</u>	<u>135,383</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995	1994
	No.	No.
£nil - £5,000	1	1
£50,001 - £55,000	1	2
£55,001 - £60,000	1	-

The emoluments, excluding pension contributions, of the chairman, who was also the highest paid director, were £55,318 (1994: £53,263).

### 5. STAFF COSTS

	1995	1994
	£	£
Wages and salaries	1,616,758	1,359,621
Social security costs	141,268	112,975
Other pension costs	63,967	57,940
	<u>1,821,993</u>	<u>1,530,536</u>

The average weekly number of employees during the year (including directors) was as follows:

	1995	1994
	No.	No.
Management	14	13
Administration and supervision	32	28
Construction and service	80	72
	<u>126</u>	<u>113</u>

### 6. INTEREST PAYABLE

	1995	1994
	£	£
Interest on late payment of tax and VAT	2,000	750
Bank loan	40,001	41,393
Finance charges payable under finance leases and hire purchase contracts	6,497	4,527
	<u>48,498</u>	<u>46,670</u>

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 7. INTEREST RECEIVABLE

	1995	1994
	£	£
Miscellaneous	1,566	-
Bank interest	28,917	19,472
	<u>30,483</u>	<u>19,472</u>

### 8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
Based on profit for the year:		
Corporation tax at 25 % (1994: 25%)	33,200	19,455
Prior year adjustments:		
Corporation tax	16,776	(2,995)
	<u>49,976</u>	<u>16,460</u>

### 9. DIVIDENDS

	1995	1994
	£	£
Ordinary - final proposed	-	38,000

### 10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost:				
At 1 April 1994	1,368,430	250,203	353,322	1,971,955
Additions	-	47,904	139,420	187,324
Disposals	-	-	(15,448)	(15,448)
At 31 March 1995	<u>1,368,430</u>	<u>298,107</u>	<u>477,294</u>	<u>2,143,831</u>
Depreciation:				
At 1 April 1994	62,519	137,609	253,844	453,972
Provided during the year	30,672	35,468	57,623	123,763
Disposals	-	-	(15,359)	(15,359)
At 31 March 1995	<u>93,191</u>	<u>173,077</u>	<u>296,108</u>	<u>562,376</u>
Net book value:				
At 31 March 1995	<u>1,275,239</u>	<u>125,030</u>	<u>181,186</u>	<u>1,581,455</u>
At 1 April 1994	<u>1,305,911</u>	<u>112,594</u>	<u>99,478</u>	<u>1,517,983</u>

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 10. TANGIBLE FIXED ASSETS (continued)

Included in the amounts for motor vehicles and plant and machinery above are the following amounts relating to assets acquired under finance leases and hire purchase contracts:

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Net book value:			
At 31 March 1995	18,846	57,309	76,155
At 1 April 1994	26,139	55,531	81,670
Depreciation provided during the year	4,961	24,266	29,227

### 11. STOCK

	<i>1995</i> £	<i>1994</i> £
Development land for resale	58,540	58,540
Long term contract work in progress	53,008	13,480
Raw materials	17,349	16,457
	128,897	88,477

Long term contract work in progress is valued at direct cost and relates to contracts where no valuation has taken place.

### 12. DEBTORS

	<i>1995</i> £	<i>1994</i> £
Amounts recoverable on contracts	1,972,291	1,081,941
Other debtors	105,949	106,269
Prepayments	20,387	44,306
ACT recoverable	9,500	9,500
	2,108,127	1,242,016

### 13. CASH AND CASH EQUIVALENTS

Cash at bank and in hand

	<i>1995</i> £	<i>1994</i> £
Balance at 1 April	788,257	840,668
Net cash inflow/(outflow)	303,889	(52,411)
Balance at 31 March	1,092,146	788,257

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 14. CREDITORS : amounts falling due within one year

	1995 £	1994 £
Long term loan (note 16)	12,908	17,303
Obligations under finance leases and hire purchase contracts (note 17)	30,458	31,695
Payments in advance	429,593	163,692
Trade creditors	2,079,691	1,439,252
Corporation tax	37,389	6,868
ACT payable	9,500	9,500
Other taxes and social security	369,352	156,420
Accruals	241,694	112,710
Other creditors	64,699	105,302
Dividend	-	38,000
	<u>3,275,284</u>	<u>2,080,742</u>

### 15. CREDITORS: amounts falling due after more than one year

	1995 £	1994 £
Long term loan (note 16)	505,092	516,200
Obligations under finance leases and hire purchase contracts (note 17)	22,092	33,043
	<u>527,184</u>	<u>549,243</u>

### 16. LOANS

	1995 £	1994 £
Not wholly repayable within five years:		
Bank loan at 2% above the bank's base rate repayable in monthly instalments commencing 29 February 1992	518,000	533,503
Amounts repayable by instalments:		
within five years	64,540	86,515
after five years	453,460	446,988
	<u>518,000</u>	<u>533,503</u>
Included in creditors:		
amounts falling due within one year	(12,908)	(17,303)
	<u>505,092</u>	<u>516,200</u>

The loan is secured by a fixed charge over the company's land and premises at Preston Road, Grimsargh, Preston. From 1 August 1995, the interest rate was reduced to 1½ % above the bank's base rate.

Analysis of changes in loan financing during the current and previous years:

	1995 £	1994 £
At 1 April	533,503	546,840
Loan repayments	(15,503)	(13,337)
At 31 March	<u>518,000</u>	<u>533,503</u>

# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1995	1994
	£	£
Amounts payable:		
within one year	32,929	36,724
in the second to fifth successive years	27,960	38,330
	<u>60,889</u>	<u>75,054</u>
Less: finance charges allocated to future periods	(8,339)	(10,316)
	<u>52,550</u>	<u>64,738</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	30,458	31,695
Non-current obligations	22,092	33,043
	<u>52,550</u>	<u>64,738</u>
Analysis of changes in finance leases and hire purchase contracts during the year was as follows:		
At 1 April	64,738	38,344
Inception of finance leases and hire purchase contracts	26,390	53,140
Capital element of finance leases and hire purchase contracts repaid	(38,578)	(26,746)
At 31 March	<u>52,550</u>	<u>64,738</u>

### 18. DEFERRED TAXATION

No provision is required for deferred tax due to an excess of deferred tax assets over liabilities (1994 : £Nil).

### 19. PROVISIONS FOR LIABILITIES AND CHARGES

<i>Other provisions</i>	1995	1994
	£	£
Warranty provision	164,686	164,686
Provision for contract cost adjustments	49,000	40,483
Provision for liabilities arising from purchase of the business	2,000	12,000
	<u>215,686</u>	<u>217,169</u>

### 20. SHARE CAPITAL

	1995	Authorised 1994	Allotted, called up and fully paid 1995	1994
	No.	No.	£	£
£1 Ordinary shares	<u>500,000</u>	<u>500,000</u>	<u>50,000</u>	<u>50,000</u>



# John Turner & Sons (Preston) Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 21. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 April 1993	50,000	689,025	739,025
Profit for the year	-	88,554	88,554
Dividend	-	(38,000)	(38,000)
At 1 April 1994	50,000	739,579	789,579
Profit for the year	-	102,892	102,892
At 31 March 1995	50,000	842,471	892,471

### 22. CAPITAL COMMITMENTS

	<i>1995</i> £	<i>1994</i> £
Contracted	-	38,545
Authorised by the directors but not contracted	-	-

### 23. PENSION COMMITMENTS

The company operates a defined contribution scheme for the benefit of a director. The assets of the scheme are held separately from those of the company in a separately administered fund.

The company operates a defined benefit scheme for the benefit of its directors and employees, the assets of which are held in a separately administered fund.

The contributions to the scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. The most recent actuarial review was conducted at 6 April 1993 and concluded that the resources of the scheme were likely, in the normal course of events, to meet in full the liabilities of the scheme as they fall due.

The assumptions and results of this valuation, were as follows:

Main assumptions:

Rate of return on investments (% per annum)	8%
Rate of salary increases (% per annum)	5% for five years then 6%
Rate of non GMP pension increases (% per annum)	Nil %

The actuarial valuation of scheme's assets was £448,000.

The level of funding, being the actuarial valuation of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases was 88% at 6 April 1993. In accordance with actuarial recommendations, further contributions, in addition to employer's current contribution of 11.7% of pensionable earnings were made during the year in order to eliminate the deficiency in funding. Directors have been advised by the actuary that the current level of funding is now in excess of 95%.

THE FOLLOWING PAGES  
DO NOT FORM PART OF THE  
AUDITED STATUTORY ACCOUNTS  
OF THE COMPANY

# John Turner & Sons (Preston) Limited

## DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
<b>TURNOVER</b>		13,464,080	8,550,320
Cost of sales		12,505,856	7,733,042
<b>GROSS PROFIT</b>		958,224	817,278
		(7.1%)	(9.6%)
Administrative expenses	1	(787,341)	(685,066)
Interest payable		(48,498)	(46,670)
Interest receivable		30,483	19,472
		(805,356)	(712,264)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		152,868	105,014

# John Turner & Sons (Preston) Limited

## DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	1995 £	1994 £
<b>1. ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	129,242	127,783
Wages and salaries	267,630	243,671
Miscellaneous staff costs	12,017	6,646
Motor expenses	114,286	116,040
Communications	64,584	60,486
General	44,270	45,579
Training courses	3,525	2,869
Professional fees	34,703	28,285
Trade subscriptions	8,866	8,575
Rent, rates and water	5,156	(20,059)
Heat and light	3,982	3,539
Computer costs	13,491	6,727
Bank charges	6,400	5,811
Advertising and promotion	13,438	13,601
Audit	8,400	10,242
General insurance	61,462	35,381
Profit on disposal of assets	(4,111)	(10,110)
	<u>787,341</u>	<u>685,066</u>