

Company Registration No. 02343739 (England and Wales)

JOHN TURNER CONSTRUCTION GROUP LTD
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



JOHN TURNER CONSTRUCTION GROUP LTD

COMPANY INFORMATION

Directors	John J Clarke - Chairman / Managing Director Nigel A Sharp - Operations Director Julian D Haigh, BSc, MRICS - Commercial Director Pauline M Clarke - Non-Executive Director
Secretary	Stephen J Crookes, BA, FCMA, CGMA
Company number	02343739
Registered/Head office	2 Preston Road Grimsargh Preston Lancashire PR2 5SD
Manchester office	Suite 3b, Paragon House Seymour Grove Old Trafford Manchester M16 0LN
Liverpool office	15 Hurricane Court Hurricane Drive Speke Liverpool L24 8RL
Auditor	CLB Coopers Audit Services Ship Canal House 98 King Street Manchester M2 4WU
Bankers	Royal Bank of Scotland plc Salford Shopping Centre (A) Branch 115 Mather Way Salford Shopping Centre Salford M6 5EH
Email address	administration@johnturner.co.uk
Website	www.johnturner.co.uk

JOHN TURNER CONSTRUCTION GROUP LTD

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JOHN TURNER CONSTRUCTION GROUP LTD

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

In the year ended 31 March 2017, the Group has returned another good performance in what has remained a challenging and competitive market. Turnover increased to a record level of £76m with pre tax profits exceeding £2m. Our Balance Sheet remains strong with key performance measures all improving. Cash now stands at £6.476m. We continue to have no bank borrowings.

2017 is a landmark year for the Group marking 110 years in business. We are all extremely proud of our good reputation and this, yet again, has resulted in considerable repeat business from the many clients we have worked with over the years. These include Universities at Edge Hill, Liverpool, Manchester and Preston (UCLAN) as well as many other educational establishments across the North West. Our expertise and experience in Health Sector works continued and was recognised by contract awards from many leading Health Authorities.

Private sector works have always been an important part of our business, but it is very pleasing to report this can now form up to 40% of our turnover. This is a direct result and success of our earlier strategy to diversify within the sectors in which we operate.

Our private sector projects throughout the year were for leading national and international clients and involved some highly technical and sensitive construction activities. Our strong balance sheet and ability to collaborate successfully with clients meant that we were able to offer financial input to the development process on certain projects.

Our sub divisions in maintenance, specialist joinery and electrical works performed well throughout the year and continued to successfully grow their client base across the region.

In this period of heightened skilled labour shortage, our history of employing a core cards-in workforce together with ongoing trade apprenticeships ensures that we possess in-house long standing skilled employees. We continue to prioritise training and development for our employees, in order to maintain our high skill base, providing the company with a competitive edge. Currently we have 19 Apprentices employed within the Group.

During the year we successfully maintained our ISO accreditations covering Quality, Health, Safety and Environment and more recently ISO 50001 Energy Management, ensuring our compliance with the Government's Energy Safety Opportunity Scheme, ESOS. We also achieved our 12th Gold Medal in a row from ROSPA and received another President's Award for this exceptional achievement.

'TED' (Turners Electronic Data), our Data Management system that was introduced during the previous year, continues to be a key element of our IT structure, ensuring that we maintain effective operational control of our key activities. This investment enables the provision of innovative support to both new and existing customers, enhancing our position in the current market.

Our employee led charity group "TLC" (Turners Local Charities) continued to encourage employee engagement in their tireless efforts to raise funds for worthy charities. These included the National Autistic Centre and Prostate Cancer within the year. This year has also seen the safe arrival of our sponsored Guide Dog puppy 'Turner', who after some 2 years training, will give independence to someone with sight loss.

For the year to 31st March 2018, over £78m of Group turnover is currently secured, with also over £27m already secured for the year to 31st March 2019 and I look forward to the future with confidence.



John J Clarke
Chairman
7 December 2017

JOHN TURNER CONSTRUCTION GROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Review of business

The principal activity of the Company throughout the year continued to be as a building contractor. Wright Build Limited is the sole trading subsidiary. The Group's principal activities are that of building contractors, joinery manufacturers, property maintenance and electrical services.

The Group has returned a good performance in the current challenging and competitive market. Turnover has increased by 2.1% to £76.0m (2016: £74.4m) whilst gross margin has increased from 7.7% to 7.8%. Operating and pre tax profits have grown by 5% and 4% respectively. Retained earnings increased the Group's net asset total from £7.004m to £8.073m an increase of 15.3%.

The Balance Sheet remains strong with key performance measures all improving. Cash has increased by 7% to £6.476m and net current assets increased by 21% to £7.687m. The Group continues to have no bank or other financial borrowings.

Negotiations regarding the two development projects that the Group is associated with (see note 17) have progressed during the year. With Planning Permission having been granted for a District Centre on the Cottam Site, where we are employed as an Agent for Cottam Hall Properties Limited, negotiations are progressing satisfactorily with both potential key anchor tenants and house builders. Plans continue for new build housing on our Nelson site, utilising the opportunities offered by the Government to boost new housing. The Group remains confident of achieving satisfactory commercial results to both projects.

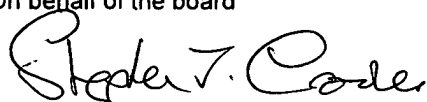
Developments and future outlook

The directors of the Group continue to look ahead and view the future with confidence. Our order book is healthy with over £78m of Group turnover currently secured for the year to 31st March 2018, and also over £27m secured for the year to 31st March 2019.

Principal risks and uncertainties

Our continuing financial strength enables the Group to successfully manage the key risks and uncertainties facing the sector, in particular the supply chain, by ensuring that both sub contractors and suppliers are paid on a timely basis.

On behalf of the board



Stephen J Crookes, BA, FCMA, CGMA

Secretary

7 December 2017

JOHN TURNER CONSTRUCTION GROUP LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

John J Clarke - Chairman / Managing Director
Nigel A Sharp - Operations Director
Julian D Haigh, BSc, MRICS - Commercial Director
Pauline M Clarke - Non-Executive Director

Results and dividends

The results for the year are set out on page 8.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

JOHN TURNER CONSTRUCTION GROUP LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Mission statement

The aim of the Group is to provide a professional building service which best meets the needs of our clients.

Through working closely with our clients and their agents, we will aim to find solutions to meet and exceed their requirements.

We shall address resourcefully all types of projects and apply the highest standards of workmanship and integrity in their performance.

In all our activities we shall respect and if possible enhance the environment. The service shall be delivered by:

- employing a competent committed workforce who understand clearly and contribute to the aims of the Group;
- emphasising the highest quality of management, financial strength, and stringent control throughout our operations to provide security for the benefit of clients, shareholders and employees;
- treating respectfully all our business relationships to obtain the benefits of the business;
- rewarding merit by recognition within the Group.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, CLB Coopers, tendered its resignation and was replaced by CLB Coopers Audit Services, who will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

JOHN TURNER CONSTRUCTION GROUP LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Financial risk management objectives and policies

The Group holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors and trade creditors) arise directly from the Group's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The investment of cash surpluses is made through banks which must fulfil credit rating criteria approved by the Board. The Group has no borrowings.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Liquidity risk

The Group manages its cash in order to maximise interest income, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

Employee involvement

During the year, the policy of providing employees with information about the Group has been continued through the company's newsletter in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between management and employees to allow a free flow of information and ideas.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Group's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

On behalf of the board



Stephen J Crookes, BA, FCMA, CGMA

Secretary

7 December 2017

JOHN TURNER CONSTRUCTION GROUP LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JOHN TURNER CONSTRUCTION GROUP LTD

We have audited the financial statements of John Turner Construction Group Ltd for the year ended 31 March 2017 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. 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 FRS 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 the parent company's affairs as at 31 March 2017 and of its 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

JOHN TURNER CONSTRUCTION GROUP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JOHN TURNER CONSTRUCTION GROUP LTD

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.



David Clift (Senior Statutory Auditor)
for and on behalf of CLB Coopers Audit Services

7 December 2017

Statutory Auditor

Ship Canal House
98 King Street
Manchester
M2 4WU

JOHN TURNER CONSTRUCTION GROUP LTD

GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	76,043,901	74,445,810
Cost of sales		(70,099,545)	(68,724,620)
Gross profit		5,944,356	5,721,190
Distribution costs		(147,329)	(212,153)
Administrative expenses		(3,873,440)	(3,653,490)
Other operating income		65,988	38,580
Operating profit	4	1,989,575	1,894,127
Interest receivable and similar income	8	34,426	43,474
Interest payable and similar charges	9	(1,288)	-
Profit before taxation		2,022,713	1,937,601
Taxation	11	(390,279)	(395,480)
Profit for the financial year		1,632,434	1,542,121
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension scheme		(269,000)	37,000
Pension surplus reserve/(not recognised)		190,000	(116,000)
Movement on deferred tax relating to pension surplus		15,800	15,800
Total comprehensive income for the year		1,569,234	1,478,921

Total comprehensive income for the year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

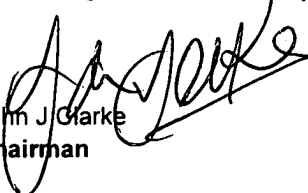
JOHN TURNER CONSTRUCTION GROUP LTD

GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	14		1,237,771		1,287,426
Current assets					
Stocks	17	2,214,372		2,087,608	
Debtors	18	16,472,292		12,655,179	
Cash at bank and in hand		6,476,059		6,073,816	
		25,162,723		20,816,603	
Creditors: amounts falling due within one year	19	(17,475,692)		(14,457,844)	
Net current assets			7,687,031		6,358,759
Total assets less current liabilities			8,924,802		7,646,185
Creditors: amounts falling due after more than one year	20		(606,992)		(363,047)
Provisions for liabilities	22		(245,061)		(279,623)
Net assets			8,072,749		7,003,515
Capital and reserves					
Called up share capital	23		50,000		50,000
Revaluation reserve			130,762		130,762
Profit and loss reserves			7,891,987		6,822,753
Total equity			8,072,749		7,003,515

The financial statements were approved by the board of directors and authorised for issue on 7 December 2017 and are signed on its behalf by:


 John J. Clarke
 Chairman

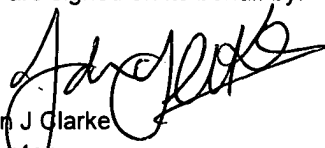
JOHN TURNER CONSTRUCTION GROUP LTD

COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	14	1,068,868		1,147,240	
Investments	15	784,617		784,617	
		<u>1,853,485</u>		<u>1,931,857</u>	
Current assets					
Stocks	17	2,063,058		1,944,465	
Debtors	18	15,607,900		11,724,948	
Cash at bank and in hand		5,878,667		5,420,754	
		<u>23,549,625</u>		<u>19,090,167</u>	
Creditors: amounts falling due within one year	19	<u>(17,043,912)</u>		<u>(13,921,755)</u>	
Net current assets		<u>6,505,713</u>		<u>5,168,412</u>	
Total assets less current liabilities		<u>8,359,198</u>		<u>7,100,269</u>	
Creditors: amounts falling due after more than one year	20	(606,992)		(363,047)	
Provisions for liabilities	22	(236,545)		(271,107)	
Net assets		<u><u>7,515,661</u></u>		<u><u>6,466,115</u></u>	
Capital and reserves					
Called up share capital	23	50,000		50,000	
Revaluation reserve		130,762		130,762	
Profit and loss reserves		7,334,899		6,285,353	
Total equity		<u><u>7,515,661</u></u>		<u><u>6,466,115</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 7 December 2017 and are signed on its behalf by:


John J Clarke
Director

Company Registration No. 02343739

JOHN TURNER CONSTRUCTION GROUP LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2015		50,000	130,762	5,833,832	6,014,594
Year ended 31 March 2016:					
Profit for the year		-	-	1,542,121	1,542,121
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	37,000	37,000
Pension surplus not recognised		-	-	(116,000)	(116,000)
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,478,921	1,478,921
Dividends	12	-	-	(490,000)	(490,000)
Balance at 31 March 2016		50,000	130,762	6,822,753	7,003,515
Year ended 31 March 2017:					
Profit for the year		-	-	1,632,434	1,632,434
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(269,000)	(269,000)
Pension surplus reserve		-	-	190,000	190,000
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,569,234	1,569,234
Dividends	12	-	-	(500,000)	(500,000)
Balance at 31 March 2017		50,000	130,762	7,891,987	8,072,749

JOHN TURNER CONSTRUCTION GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2015		50,000	130,762	5,387,267	5,568,029
Year ended 31 March 2016:					
Profit for the year		-	-	1,451,286	1,451,286
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	37,000	37,000
Pension surplus not recognised		-	-	(116,000)	(116,000)
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,388,086	1,388,086
Dividends	12	-	-	(490,000)	(490,000)
Balance at 31 March 2016		50,000	130,762	6,285,353	6,466,115
Year ended 31 March 2017:					
Profit for the year		-	-	1,612,746	1,612,746
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(269,000)	(269,000)
Pension surplus reserve		-	-	190,000	190,000
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,549,546	1,549,546
Dividends	12	-	-	(500,000)	(500,000)
Balance at 31 March 2017		50,000	130,762	7,334,899	7,515,661

JOHN TURNER CONSTRUCTION GROUP LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,502,626		2,070,864	
Interest paid		(1,288)		-	
Corporation tax paid		(444,975)		(390,683)	
Net cash inflow from operating activities		1,056,363		1,680,181	
Investing activities					
Purchase of tangible fixed assets		(261,137)		(309,276)	
Proceeds on disposal of tangible fixed assets		33,257		23,279	
Government grants received		39,334		24,970	
Interest received		34,426		43,474	
Net cash used in investing activities		(154,120)		(217,553)	
Financing activities					
Dividends paid to equity shareholders		(500,000)		(490,000)	
Net cash used in financing activities		(500,000)		(490,000)	
Net increase in cash and cash equivalents		402,243		972,628	
Cash and cash equivalents at beginning of year		6,073,816		5,101,188	
Cash and cash equivalents at end of year		6,476,059		6,073,816	

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

John Turner Construction Group Ltd ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 2 Preston Road, Grimsargh, Preston, PR2 5SD.

The Group consists of John Turner Construction Group Ltd and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,612,746 (2016 - £1,451,286).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.3 Turnover

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue on long-term contracts is ascertained in a manner appropriate to the stage of completion of the contract at the balance sheet date, with due regard to anticipated future costs. Amounts recoverable on such contracts are included within debtors. Payments on account in excess of turnover are included within creditors. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	40-50 years
Short term leasehold improvements	15% reducing balance
Plant and machinery	2-10 years and 25 years
Motor vehicles	4-8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Comprehensive Income.

The Group took advantage of the arrangements under FRS 102 which allows the retention of the carrying value of the revalued freehold land and buildings before the transition date of 1 April 2014 to be deemed cost. All additions since this date are stated at cost.

1.5 Investments

Investments in subsidiaries are valued at the cost less provision for impairment.

1.6 Stocks

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

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Long term work in progress is valued at direct cost. Gross margins 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. A prudent view is taken of credit for claims made by the Group until agreed. Provision is made for anticipated losses on contracts and claims against the Group as soon as these are identified.

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.8 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs, less any impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable 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 transaction price.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement Of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.11 Pensions

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2014. From 31 July 2004 the accrual of benefits for this defined benefit pension scheme ceased.

A defined contribution scheme has been put in place by John Turner Construction Group Ltd as an alternative to the defined benefit scheme and a further defined contribution scheme for the benefit of a director. Wright Build Limited operates two defined contribution schemes. Both companies operate auto enrolment schemes. Defined contribution scheme contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

In relation to the defined benefit scheme, the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the Statement of Comprehensive Income. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the company's long-term expected return on assets (based on the market value of the scheme assets at the start of the period), are included in the Statement of Comprehensive Income.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability in the balance sheet. Deferred tax assets on the pension liability are recognised to the extent that they are considered recoverable. Any difference between the expected return on assets and that actually achieved is recognised in the Statement of Comprehensive Income along with differences which are from experience, gains and losses and changes of assumptions.

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.12 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.13 Government grants

Government grants are credited to the consolidated Statement of Comprehensive Income as the related expenditure is incurred.

1.14 Dividends

Equity dividends are recognised when they become legally payable.

2 Judgements and key sources of estimation uncertainty

Provisions for loss making contracts

Where losses on contracts are expected, the entire loss is recognised immediately within the Statement of Comprehensive Income.

Development projects

The directors consider that the book value of these development projects remain appropriate in the light of the likely development of the sites for which active negotiations are currently taking place and which are expected to result in a full recovery of the costs incurred to date.

3 Turnover and other revenue

Turnover

The whole of the turnover is attributable to the group's principal activities.

All turnover arose within the United Kingdom.

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	295,226	243,934
Profit on disposal of tangible fixed assets	(17,700)	(9,491)
Operating lease charges	89,902	97,057
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	26,230	25,470
Audit of the company's subsidiaries	6,560	6,375
	<u> </u>	<u> </u>
	32,790	31,845
	<u> </u>	<u> </u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Employees

The average monthly number of persons (including directors) employed by the Group during the year was:

	2017 Number	2016 Number
Construction and service	138	142
Administration and supervision	43	40
Management	71	70
	<u>252</u>	<u>252</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	8,692,667	8,636,591
Social security costs	858,545	846,618
Pension costs	438,300	493,577
	<u>9,989,512</u>	<u>9,976,786</u>

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	334,341	360,503
Company pension contributions to defined contribution schemes	91,509	79,993
	<u>425,850</u>	<u>440,496</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	129,535	152,036
Company pension contributions to defined contribution schemes	53,765	67,501
	<u>183,300</u>	<u>219,537</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	34,314	43,358
Other interest income	112	116
	<u>34,426</u>	<u>43,474</u>

9 Interest payable and similar charges

	2017 £	2016 £
Other finance costs:		
Other interest	1,288	-
	<u>1,288</u>	<u>-</u>

10 Other finance costs

	2017 £	2016 £
Fair value gains/(losses) on financial instruments		
Expected return on pension scheme assets	73,000	83,000
Interest on pension scheme liabilities	(73,000)	(83,000)
	<u>-</u>	<u>-</u>

11 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	408,816	364,601
Adjustments in respect of prior periods	(23,446)	29
Total current tax	<u>385,370</u>	<u>364,630</u>
Deferred tax		
Deferred tax relating to defined benefit pension scheme	15,800	15,800
Origination and reversal of timing differences	(10,891)	15,050
Total deferred tax	<u>4,909</u>	<u>30,850</u>
Total tax charge	<u>390,279</u>	<u>395,480</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	2,022,713	1,937,601
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	404,543	387,520
Adjustments in respect of prior years	(1,378)	29
Other non-reversing timing differences	(6,595)	(7,915)
Differences between capital allowances and depreciation	(22,091)	46
Deferred tax relating to defined benefit pension scheme	15,800	15,800
Tax expense for the year	390,279	395,480

12 Dividends

	2017 £	2016 £
Equity dividends paid	500,000	490,000

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	455,170
Amortisation and impairment	
At 1 April 2016 and 31 March 2017	455,170
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-
Company	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	167,452
Amortisation and impairment	
At 1 April 2016 and 31 March 2017	167,452

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Intangible fixed assets

(Continued)

Carrying amount

At 31 March 2017

-

At 31 March 2016

-

14 Tangible fixed assets

Group	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2016	550,000	129,599	1,409,554	967,293	3,056,446
Additions	-	-	159,423	101,714	261,137
Disposals	-	-	(149,824)	(97,332)	(247,156)
At 31 March 2017	550,000	129,599	1,419,153	971,675	3,070,427
Depreciation and impairment					
At 1 April 2016	25,630	97,724	1,092,843	552,823	1,769,020
Depreciation charged in the year	12,815	4,781	114,829	162,801	295,226
Eliminated in respect of disposals	-	-	(148,809)	(82,781)	(231,590)
At 31 March 2017	38,445	102,505	1,058,863	632,843	1,832,656
Carrying amount					
At 31 March 2017	511,555	27,094	360,290	338,832	1,237,771
At 31 March 2016	524,370	31,875	316,711	414,470	1,287,426

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Tangible fixed assets (Continued)

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2016	550,000	1,256,015	804,925	2,610,940
Additions	-	150,082	28,488	178,570
Disposals	-	(149,824)	(51,180)	(201,004)
At 31 March 2017	550,000	1,256,273	782,233	2,588,506
Depreciation and impairment				
At 1 April 2016	25,630	973,088	464,982	1,463,700
Depreciation charged in the year	12,815	109,089	133,635	255,539
Eliminated in respect of disposals	-	(148,809)	(50,792)	(199,601)
At 31 March 2017	38,445	933,368	547,825	1,519,638
Carrying amount				
At 31 March 2017	511,555	322,905	234,408	1,068,868
At 31 March 2016	524,370	282,927	339,943	1,147,240

15 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	16	-	-	784,617	784,617

16 Subsidiaries

Details of the Company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held Direct Indirect
Wright Build Holdings Limited	United Kingdom	Non-trading holding company	Ordinary	100.00
Wright Build Limited *	United Kingdom	Maintenance and building contractors	Ordinary	100.00
TL Electrical Services (2002) Limited	United Kingdom	Dormant	Ordinary	100.00

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

16 Subsidiaries

(Continued)

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Wright Build Holdings Limited	-	1,000
Wright Build Limited *	19,689	1,449,122
TL Electrical Services (2002) Limited	-	100

* Held indirectly via Wright Build Holdings Limited.

17 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and WIP	85,267	84,680	29,985	31,982
Long term development project	1,007,711	907,411	1,007,711	907,411
Development property and land	1,025,362	1,005,072	1,025,362	1,005,072
Long term contract balances	96,032	90,445	-	-
	<u>2,214,372</u>	<u>2,087,608</u>	<u>2,063,058</u>	<u>1,944,465</u>

The directors believe that the book value of these development projects remain appropriate in the light of the likely development of the sites for which active negotiations are currently taking place and which are expected to result in a full recovery of the costs incurred to date.

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	817,181	867,977	-	-
Amounts recoverable on long term contracts	10,504,891	7,108,329	10,484,135	7,109,477
Amounts due from fellow group undertakings	3,078,254	3,078,254	3,078,254	3,102,364
Other debtors	11,070	28,808	10,628	20,077
Prepayments and accrued income	551,259	277,922	525,246	199,141
	<u>14,962,655</u>	<u>11,361,290</u>	<u>14,098,263</u>	<u>10,431,059</u>
Amounts falling due after one year:				
Amounts recoverable on long term contracts	594,646	378,898	594,646	378,898
Prepayments and accrued income	914,991	914,991	914,991	914,991
	<u>1,509,637</u>	<u>1,293,889</u>	<u>1,509,637</u>	<u>1,293,889</u>
Total debtors	<u>16,472,292</u>	<u>12,655,179</u>	<u>15,607,900</u>	<u>11,724,948</u>

19 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Payments received on account	433,414	992,311	433,414	992,311
Trade creditors	11,583,120	8,637,659	11,281,776	8,258,894
Amounts due to group undertakings	-	-	177,918	95,000
Corporation tax payable	26,729	86,334	26,729	63,000
Other taxation and social security	2,157,391	1,150,367	1,928,296	914,048
Other creditors	544,624	500,400	502,649	466,355
Accruals and deferred income	2,730,414	3,090,773	2,693,130	3,132,147
	<u>17,475,692</u>	<u>14,457,844</u>	<u>17,043,912</u>	<u>13,921,755</u>

20 Creditors: amounts falling due after more than one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	506,992	263,047	506,992	263,047
Amounts due to group undertakings	100,000	100,000	100,000	100,000
	<u>606,992</u>	<u>363,047</u>	<u>606,992</u>	<u>363,047</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Group		
Accelerated capital allowances	65,035	67,410
Revaluations	32,681	32,681
Short term and other timing differences	(7,200)	1,316
	<u>90,516</u>	<u>101,407</u>
	<u>90,516</u>	<u>101,407</u>
	Liabilities 2017 £	Liabilities 2016 £
Company		
Accelerated capital allowances	56,519	67,410
Revaluations	32,681	32,681
Short term and other timing differences	(7,200)	(7,200)
	<u>82,000</u>	<u>92,891</u>
	<u>82,000</u>	<u>92,891</u>
	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 April 2016	101,407	92,891
Credit to profit or loss	(10,891)	(10,891)
	<u>90,516</u>	<u>82,000</u>
	<u>90,516</u>	<u>82,000</u>
	<u>90,516</u>	<u>82,000</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Provisions for liabilities

		Group 2017 £	2016 £	Company 2017 £	2016 £
	Notes				
Other provisions		154,545	178,216	154,545	178,216
Deferred tax liabilities	21	90,516	101,407	82,000	92,891
		<u>245,061</u>	<u>279,623</u>	<u>236,545</u>	<u>271,107</u>
		<u>245,061</u>	<u>279,623</u>	<u>236,545</u>	<u>271,107</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

22 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Other provisions £
At 1 April 2016	178,216
Net movement in provision	(23,671)
At 31 March 2017	<u>154,545</u>

Company	Other provisions £
At 1 April 2016	178,216
Net movement in provision	(23,671)
At 31 March 2017	<u>154,545</u>

23 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

24 Retirement benefit schemes

Defined benefit schemes

The Group operates a defined benefit pension scheme for the benefit of a director and certain employees, the assets of which are held in separately administered funds managed by Friends Provident Life and Pensions Limited and the defined benefit scheme trustees. Contributions to the scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method. In the course of 2004/05 the accrual of the benefits under the scheme ceased.

The last full actuarial valuation was carried out as at 5 April 2014 and concluded that, subject to the group continuing to make contributions in accordance with the actuary's recommendations set out below, the resources of the scheme are likely in the normal course of events to meet in full liabilities of the scheme as they fall due.

The actuary recommended contributions of £88,000 per annum from 5 April 2014 and £79,000 per annum from 6 April 2015 to 5 April 2017 in order to clear the scheme's funding deficit by 5 April 2017 as anticipated in the scheme Recovery Plan arising from this actuarial valuation. A further contribution was made post year end on 5 April 2017.

	2017 %	2016 %
<i>Key assumptions</i>		
Discount rate	2.76	3.61
Rate of increase in pension payments	3.50	3.20
Rate of increase in deferred pensions	2.50	2.20
Inflation assumptions	3.30	3.20
	<u> </u>	<u> </u>
	2017 £	2016 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(153,000)	(65,000)
Less: calculated interest element	73,000	83,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	(80,000)	18,000
Actuarial changes related to obligations	349,000	(55,000)
Movement in unrecognised plan surplus	7,000	197,000
	<u> </u>	<u> </u>
Total costs	276,000	160,000
	<u> </u>	<u> </u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

24 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	2017 £	2016 £
Present value of defined benefit obligations	2,339,000	2,151,000
Fair value of plan assets	(2,346,000)	(2,348,000)
Deficit in scheme	(7,000)	(197,000)
Asset not recognised due to asset ceiling	7,000	197,000
Total liability recognised	-	-
	2017 £	2016 £
Company		
Present value of defined benefit obligations	2,339,000	2,151,000
Fair value of plan assets	(2,346,000)	(2,348,000)
Surplus in scheme	(7,000)	(197,000)
Asset not recognised due to asset ceiling	7,000	197,000
Total liability recognised	-	-
	Group 2017 £	Company 2017 £
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 April 2016	2,151,000	2,151,000
Benefits paid	(234,000)	(234,000)
Actuarial gains and losses	349,000	349,000
Interest cost	73,000	73,000
At 31 March 2017	2,339,000	2,339,000

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

24 Retirement benefit schemes

(Continued)

	Group 2017 £	Company 2017 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 April 2016	2,348,000	2,348,000
Interest income	73,000	73,000
Return on plan assets (excluding amounts included in net interest)	80,000	80,000
Benefits paid	(234,000)	(234,000)
Contributions by the employer	79,000	79,000
At 31 March 2017	<u>2,346,000</u>	<u>2,346,000</u>

Fair value of plan assets at the reporting period end

	Group 2017 £	2016 £	Company 2017 £	2016 £
Equity instruments	609,000	829,000	609,000	829,000
Debt instruments	29,000	28,000	29,000	28,000
Cash	350,000	55,000	350,000	55,000
Other	-	134,000	-	134,000
With-Profits policy	1,358,000	1,302,000	1,358,000	1,302,000
	<u>2,346,000</u>	<u>2,348,000</u>	<u>2,346,000</u>	<u>2,348,000</u>

25 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	101,138	87,757	92,420	79,837
Between two and five years	322,896	281,052	301,952	263,372
In over five years	436,973	529,310	417,083	505,000
	<u>861,007</u>	<u>898,119</u>	<u>811,455</u>	<u>848,209</u>

JOHN TURNER CONSTRUCTION GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

26 Related party transactions

During the year, the Group carried out development work on behalf of Cottam Hall Properties Limited, a company in which John J Clarke has a controlling interest. At the balance sheet date, work in progress and accrued income relating to Cottam Hall Properties Limited was £1,025,362 (2016: £907,411) and £914,991 (2016: £914,991) respectively.

During the year, an amount of £61,964 (2016: £60,000) in relation to rent payable, was paid to Clarke JJ Redswan SIPP, a pension scheme in which John J Clarke is the main beneficiary.

During the year, the Group made sales of £79,855 (2016: £416,362) to John J Clarke, a director of the company, in relation to the construction and refurbishment of property. An amount of £nil was outstanding from John J Clarke at the balance sheet date (2016: £189,543).

27 Controlling party

The immediate holding company is John Turner Group Limited. The ultimate controlling company is John Turner Holdings Limited and the ultimate controlling party is John J Clarke by virtue of his majority shareholding.

Copies of John Turner Holdings Limited consolidated financial statements, which include the company, are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

28 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	1,632,434	1,542,121
Adjustments for:		
Taxation charged	390,279	395,480
Finance costs	1,288	-
Interest received	(34,426)	(43,474)
Gain on disposal of tangible fixed assets	(17,691)	(9,491)
Government grants	(39,334)	(24,970)
Depreciation of tangible fixed assets	295,226	243,934
Defined benefit pension scheme contribution paid	(79,000)	(79,000)
(Decrease)/increase in provisions	(23,671)	2,250
Movements in working capital:		
(Increase) in stocks	(126,764)	(65,090)
(Increase)/decrease in debtors	(3,817,113)	2,626,375
Increase/(decrease) in creditors	3,321,398	(2,517,271)
Cash generated from operations	1,502,626	2,070,864