

Registered number: 02343739

John Turner Construction Group Ltd

**Annual Report
and
Consolidated Financial Statements**

For the year ended 31 March 2015

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CLB
coopers
Chartered Accountants
Delivering solutions through excellence

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
Company Secretary	Stephen J Crookes, BA, FCMA, CGMA
Company Number	02343739
Registered Office/Head office	2 Preston Road Grimsargh, Preston Lancashire, PR2 5SD
Liverpool Office	No 1 Dale Street Liverpool, L2 2ET
Manchester Office	Suite 7a Trafford Plaza Seymour Grove Old Trafford Manchester, M16 0LD
Independent auditor	CLB Coopers Ship Canal House 98 King Street Manchester, M2 4WU
Wright Build Limited	Crab Tree Lane Atherton Manchester, M46 0AG
Bankers	Royal Bank of Scotland plc Salford Shopping Centre (A) Branch 115 Mather Way Salford Shopping Centre Salford, M6 5EH
E-mail Address	administration@johnturner.co.uk
Web site	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 2015

The chairman presents his statement for the period.

I am delighted to announce another impressive set of group financial results for the year ended 31 March 2015, with increases in both turnover and profit. Turnover was at record levels while pre tax net profit levels increased by 13%. This resulted in cash levels being maintained at high levels and further increased the strength of our balance sheet. External borrowings remain at zero.

Tender opportunities were high throughout the year, which was not expected in the year before a possible change of government. Within the year the group engaged the services of an experienced Business Development Manager, who is well known within the North West market. The position became vacant due to retirement and the appointment is already showing benefits with current high tender levels post year end.

Our extensive experience in the Education sector was very evident through some notable high profile projects being awarded. These included:

- Another phase of Student Accommodation at Edge Hill University together with the shell construction of a modern and impressive Sports Building.
- The rebuild of St Mary's Technical College, Leyland which had been the subject of an arson attack
- The University of Manchester awarded us a number of projects on the former UMIST campus as part of the School of Materials temporary relocation.
- Repeat business was also secured at Blackpool & Fylde College with the award of the new ATC Building.
- Our Liverpool Office completed the high profile project for the University of Liverpool Student Guild, whilst Anson House for the School of Tropical Medicine was completed in time for a Royal opening, just before last Christmas.

Our work in the Health Sector continued with projects for the following clients:

- Term maintenance for the Royal Bolton Hospital.
- Cystic Fibrosis Ward refurbishment for the Liverpool Heart & Chest Hospital.
- The Bronchoscopy Building at Wythenshawe Hospital.
- The Jubilee Centre at the Countess of Chester Hospital.

Examples of our experience in various other sectors were Clergy Court for Blackburn Cathedral and the construction of 22 new houses for a developer at Nantwich. These projects demonstrate the success of our earlier strategy to diversify into different sectors.

Throughout the year our internal divisions of Joinery and Electrical performed well and provided excellent support to our main contract projects.

Wright Build continued to increase its client base within the maintenance sector and again worked in cooperation with other divisions within the John Turner Group.

We achieved our tenth Gold Medal in a row from RoSPA and received their President's Award for this exceptional achievement. Our Integrated Management System was successfully audited throughout the year and post year end we have started to add ISO 50001 to our impressive list of controls, to demonstrate our commitment to controlling energy usage within the group.

Career development and 'promotion from within' are key aspects of our employee strategy. I am therefore delighted to announce that throughout the year, another four personnel from our Apprenticeship pipeline were promoted to the first stage of site management. Also across the group, some 15% of our tradesmen started their employment with the group as Apprentices.

Significant investment took place to our internal processes within the Estimating and Facilities departments. Post year end we committed to a major overhaul of our Data Management systems to keep abreast of the modern digital age.

JOHN TURNER CONSTRUCTION GROUP LTD

Chairman's statement For the year ended 31 March 2015

The in-house Charity Group 'TLC' remained very active, raising £2,400 for charities, both local – Vine House and St Catherine's Hospice and national – Macmillan Cancer Support.

The group has provided financial support and project management to Cottam Hall Properties Limited for some time in the redevelopment of a 28 acre Brownfield site, north of Preston. A Planning Application for a new District Centre in the area, was unanimously approved, post yearend, to provide much needed facilities to the area. The group looks forward to the successful completion of this high profile scheme.

Enquiry levels are high with good quality opportunities available to us. This has resulted in secured group turnover for the current year to March 2016 exceeding £70m with over £25m secured for the year to March 2017. I therefore look forward to another successful year for the group in the year to March 2016.



John J Clarke
Chairman

Date: 11 November 2015

JOHN TURNER CONSTRUCTION GROUP LTD

Mission statement
For the year ended 31 March 2015

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.

JOHN TURNER CONSTRUCTION GROUP LTD

Directors' report For the year ended 31 March 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' 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 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 judgments 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company'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.

Principal activities

The principal activity of the company during 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.

Directors

The directors who served during the year were:

John J Clarke
Nigel A Sharp
Julian D Haigh

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, trade creditors, accruals and prepayments) arise directly from the group's operations.

JOHN TURNER CONSTRUCTION GROUP LTD

Directors' report For the year ended 31 March 2015

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

Credit risk

Investments of cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board.

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 and borrowing requirements in order to maximise interest income and minimise interest expense, 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 group'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 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

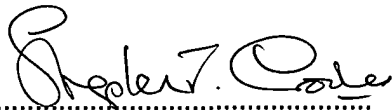
JOHN TURNER CONSTRUCTION GROUP LTD

Directors' report
For the year ended 31 March 2015

Auditor

The auditor, CLB Coopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Stephen J Crookes, BA, FCMA, CGMA
Company Secretary

Date: 11 November 2015

JOHN TURNER CONSTRUCTION GROUP LTD

Group strategic report For the year ended 31 March 2015

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 what has remained a challenging and competitive market despite recent tentative signs of improvement. Turnover has increased by 3% to £72.4m, with gross margins also increasing from 6.9% to 7.3%. Both operating and pre tax profits grew by some 11% and 13% respectively, with retained earnings increasing the group's net asset total from £5.0m to £5.9m. The group's remaining goodwill was entirely written down during the year.

The Balance Sheet remains strong with key performance measures all improving. Cash has increased by 24% to £5.1m and net current assets increased by 34% to £5.4m. The group continues to have no bank borrowings.

Negotiations regarding the two development projects that the group is associated with (see note 13) have progressed during the year. Planning Permission has been granted for a District Centre on the Cottam Site, where we are employed as an Agent for Cottam Hall Properties Limited. Negotiations are presently ongoing with potential key anchor tenants. With our Nelson site, plans are in hand for new build housing, with the opportunity of the buoyant housing market. The group remains confident of achieving satisfactory commercial results to both projects.

During the year the company successfully maintained its ISO accreditations covering Quality, Health, Safety and Environment.

Developments and future outlook

The directors of the company continue to look ahead and view the future with confidence. For the year to 31st March 2016, over £70m of group turnover is currently secured, with also over £25m already secured for the year to 31st March 2017.

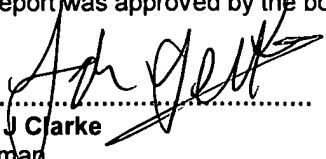
The Data Management System currently being introduced at a cost in excess of £100k is a key element of our IT investment to ensure that the company maintains effective operational control of its key activities. This investment will also allow the company to offer innovative support to both new and existing customers, enhancing our position in the current market.

Principal risks and uncertainties

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

In this period of 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 group with a competitive edge.

This report was approved by the board and signed on its behalf.


.....
John J Clarke
Chairman

Date: 11 November 2015

JOHN TURNER CONSTRUCTION GROUP LTD

Independent auditor's report to the shareholders of John Turner Construction Group Ltd

We have audited the financial statements of John Turner Construction Group Ltd for the year ended 31 March 2015, set out on pages 10 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 group strategic report and the directors' 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 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the group strategic report and the 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 to the shareholders 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

Statutory Auditors and Chartered Accountants

Ship Canal House
98 King Street
Manchester, M2 4WU

11 November 2015

JOHN TURNER CONSTRUCTION GROUP LTD

Consolidated profit and loss account For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	1,2	72,363,358	70,266,850
Cost of sales		(67,080,125)	(65,426,586)
Gross profit		5,283,233	4,840,264
Distribution costs		(183,514)	(201,798)
Administrative expenses		(3,523,826)	(3,239,572)
Other operating income		31,668	45,257
Operating profit	3	1,607,561	1,444,151
Interest receivable and similar income	6	47,505	36,694
Interest payable and similar charges	7	-	(12,673)
Profit on ordinary activities before taxation		1,655,066	1,468,172
Tax on profit on ordinary activities	8	(379,653)	(387,389)
Profit for the financial year	22	1,275,413	1,080,783

All amounts relate to continuing operations.

The notes on pages 15 to 34 form part of these financial statements.

JOHN TURNER CONSTRUCTION GROUP LTD

Consolidated statement of total recognised gains and losses For the year ended 31 March 2015

	Note	2015 £	2014 £
Profit for the financial year		1,275,413	1,080,783
Actuarial loss related to defined benefit pension scheme	19	(155,000)	(2,000)
Deferred tax attributable to actuarial loss	19	17,600	24,600
Pension surplus reverse / (not recognised)	19	67,000	(121,000)
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		1,205,013	982,383
		<hr/>	<hr/>

The notes on pages 15 to 34 form part of these financial statements.

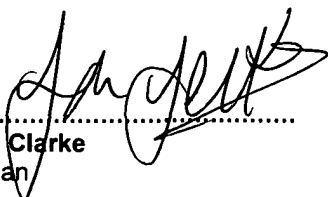
JOHN TURNER CONSTRUCTION GROUP LTD

Registered number: 02343739

**Consolidated balance sheet
As at 31 March 2015**

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		-		317,821
Tangible assets	10		1,063,934		1,078,464
			1,063,934		1,396,285
Current assets					
Stocks	13	2,022,519		1,690,456	
Debtors	14	15,281,554		13,204,895	
Cash at bank and in hand		5,101,188		4,102,720	
		22,405,261		18,998,071	
Creditors: amounts falling due within one year	15	(16,975,663)		(14,931,485)	
Net current assets			5,429,598		4,066,586
Total assets less current liabilities			6,493,532		5,462,871
Creditors: amounts falling due after more than one year	16		(388,553)		(195,577)
Provisions for liabilities					
Deferred tax	17	(53,666)		(51,526)	
Other provisions	18	(175,966)		(170,434)	
			(229,632)		(221,960)
Net assets			5,875,347		5,045,334
Capital and reserves					
Called up share capital	21		50,000		50,000
Profit and loss account	22		5,825,347		4,995,334
Shareholders' funds	23		5,875,347		5,045,334

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
John J Clarke
Chairman

Date: 11 November 2015

The notes on pages 15 to 34 form part of these financial statements.

JOHN TURNER CONSTRUCTION GROUP LTD

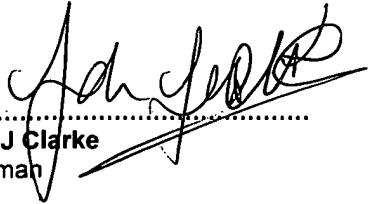
Registered number: 02343739

Company balance sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	9		-		93,530
Tangible assets	10		919,599		929,427
Investments	11		784,617		784,617
			<u>1,704,216</u>		<u>1,807,574</u>
Current assets					
Stocks	13	1,915,674		1,617,198	
Debtors	14	14,620,820		12,410,627	
Cash at bank and in hand		4,515,730		3,464,582	
		<u>21,052,224</u>		<u>17,492,407</u>	
Creditors: amounts falling due within one year	15	<u>(16,717,989)</u>		<u>(14,437,903)</u>	
Net current assets			<u>4,334,235</u>		<u>3,054,504</u>
Total assets less current liabilities			<u>6,038,451</u>		<u>4,862,078</u>
Creditors: amounts falling due after more than one year	16		<u>(388,553)</u>		<u>(195,577)</u>
Provisions for liabilities					
Deferred tax	17	(45,150)		(43,010)	
Other provisions	18	<u>(175,966)</u>		<u>(170,434)</u>	
			<u>(221,116)</u>		<u>(213,444)</u>
Net assets			<u>5,428,782</u>		<u>4,453,057</u>
Capital and reserves					
Called up share capital	21		50,000		50,000
Profit and loss account	22		5,378,782		4,403,057
Shareholders' funds	23		<u>5,428,782</u>		<u>4,453,057</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



John J Clarke
Chairman

Date: 11 November 2015

The notes on pages 15 to 34 form part of these financial statements.

JOHN TURNER CONSTRUCTION GROUP LTD

Consolidated cash flow statement For the year ended 31 March 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	25	2,037,996	1,691,893
Returns on investments and servicing of finance	26	47,505	36,694
Taxation		(540,024)	(204,800)
Capital expenditure and financial investment	26	(172,009)	(279,274)
Acquisitions and disposals	26	-	(14,995)
Equity dividends paid		(375,000)	(260,000)
Increase in cash in the year		998,468	969,518

Reconciliation of net cash flow to movement in net funds For the year ended 31 March 2015

	2015 £	2014 £
Increase in cash in the year	998,468	969,518
Movement in net funds in the year	998,468	969,518
Net funds at 1 April 2014	4,002,720	3,033,202
Net funds at 31 March 2015	5,001,188	4,002,720

The notes on pages 15 to 34 form part of these financial statements.

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of John Turner Construction Group Ltd and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.3 Turnover

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

Revenue and costs for ongoing maintenance contracts are recognised where the outcome of the contract can be estimated reliably, recognised by reference to the stage of completion of the contract at the balance sheet date principally measured in relation to costs incurred to date.

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 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

1.5 Tangible assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	40 - 50 years
Short term leasehold improvements	-	15% reducing balance
Plant and machinery	-	3 - 10 years and 25 years
Motor vehicles	-	4 - 8 years

1.6 Investments

Investments in subsidiary undertakings are valued at cost less provision for impairment. Other investments held as fixed assets are shown at cost less provision for impairment.

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

1. Accounting policies (continued)

1.7 Operating leases

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

1.8 Stocks and work in progress

Stocks are valued 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.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

1. Accounting policies (continued)

1.11 Pensions

The group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 6 April 2014.

The defined contribution scheme is an alternative to the closed 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.

In addition, the group contributes to personal pension schemes on behalf of three employees, contributions are charged to the profit and loss account as they become payable.

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 profit and loss account. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the group'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 profit and loss account.

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 total recognised gains and losses along with differences which are from experience, gains and losses and changes of assumptions.

1.12 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2. Turnover

An analysis of turnover by geographical location is as follows:

	2015 £	2014 £
United Kingdom	<u>72,363,358</u>	<u>70,266,850</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

3. Operating profit

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

	2015 £	2014 £
Amortisation - intangible fixed assets	52,718	52,718
Depreciation of tangible fixed assets:		
- owned by the group	33,948	185,751
Auditor's remuneration - Audit	31,220	30,730
Operating lease rentals - land and buildings	93,598	104,825
Operating lease rentals - other	4,910	4,953
Profit on sale of tangible assets	(1,844)	(24,917)
Impairment of intangible fixed assets	265,103	-

Auditor's fees for the company were £24,970 (2014: £24,480)

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	7,752,302	7,565,114
Social security costs	778,107	750,707
Pension costs (Note 19)	277,802	318,749
	<u>8,808,211</u>	<u>8,634,570</u>

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

	2015 No.	2014 No.
Construction and service	146	138
Administration and supervision	40	39
Management	68	67
	<u>254</u>	<u>244</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

5. Directors' remuneration

	2015 £	2014 £
Emoluments	<u>353,200</u>	<u>257,394</u>
Group pension contributions to defined contribution pension schemes	<u>48,040</u>	<u>21,096</u>

During the year retirement benefits were accruing to 2 directors (2014: 2) in respect of defined contribution pension schemes.

Emoluments of highest paid director

	2015 £	2014 £
Total emoluments (excluding pension contributions)	148,117	107,886
Value of company pension contributions to defined contribution schemes	38,200	12,720
Total	<u>186,317</u>	<u>120,606</u>

6. Interest receivable and similar income

	2015 £	2014 £
Other interest receivable	67	-
Bank interest receivable	47,438	36,694
	<u>47,505</u>	<u>36,694</u>

7. Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank borrowing	-	95
Other interest payable	-	12,578
	<u>-</u>	<u>12,673</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

8. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	392,225	296,104
Adjustments in respect of prior periods	(32,312)	4,748
Total current tax	359,913	300,852
Deferred tax		
Origination and reversal of timing differences	2,140	61,937
Deferred tax relating to defined benefit pension scheme	17,600	24,600
Total deferred tax (see note 17)	19,740	86,537
Tax on profit on ordinary activities	379,653	387,389

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,655,066	1,468,172
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	347,564	337,680
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	66,742	12,305
Difference between capital allowances and depreciation	(5,674)	(3,790)
Other timing differences	(16,407)	(14,767)
Pension cost charge in excess of pension cost relief	-	(35,324)
Adjustments to tax charge in respect of prior periods	(32,312)	4,748
Current tax charge for the year (see note above)	359,913	300,852

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

9. Intangible assets

	Goodwill £
Group	
Cost	
At 1 April 2014 and 31 March 2015	455,170
Amortisation	
At 1 April 2014	137,349
Charge for the year	52,718
Impairment charge	265,103
At 31 March 2015	455,170
Net book value	
At 31 March 2015	-
At 31 March 2014	317,821
Company	
Cost	
At 1 April 2014 and 31 March 2015	155,984
Amortisation	
At 1 April 2014	62,454
Charge for the year	38,532
Impairment charge	54,998
At 31 March 2015	155,984
Net book value	
At 31 March 2015	-
At 31 March 2014	93,530

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements
For the year ended 31 March 2015

10. Tangible assets

	Freehold property and short term leasehold improve- ments £	Plant and machinery £	Motor vehicles £	Total £
Group				
Cost				
At 1 April 2014	919,871	1,122,790	908,158	2,950,819
Additions	-	120,917	82,810	203,727
Disposals	-	(2,967)	(40,517)	(43,484)
At 31 March 2015	919,871	1,240,740	950,451	3,111,062
Depreciation				
At 1 April 2014	489,197	971,558	411,600	1,872,355
Charge for the year	27,924	54,839	131,163	213,926
On disposals	-	(2,967)	(36,186)	(39,153)
At 31 March 2015	517,121	1,023,430	506,577	2,047,128
Net book value				
At 31 March 2015	402,750	217,310	443,874	1,063,934
At 31 March 2014	430,674	151,232	496,558	1,078,464
Company				
Cost				
At 1 April 2014	790,272	988,067	774,114	2,552,453
Additions	-	104,922	65,228	170,150
Disposals	-	(2,967)	(31,817)	(34,784)
At 31 March 2015	790,272	1,090,022	807,525	2,687,819
Depreciation				
At 1 April 2014	403,725	862,975	356,326	1,623,026
Charge for the year	21,300	49,570	109,108	179,978
On disposals	-	(2,967)	(31,817)	(34,784)
At 31 March 2015	425,025	909,578	433,617	1,768,220
Net book value				
At 31 March 2015	365,247	180,444	373,908	919,599
At 31 March 2014	386,547	125,092	417,788	929,427

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

11. Fixed asset investments

Company	Shares in subsidiary companies £
Cost or valuation	
At 1 April 2014 and 31 March 2015	784,617
Net book value	
At 31 March 2015	784,617
At 31 March 2014	784,617

12. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Company name	Class of shares	Holding	Description
Wright Build Holdings Limited	Ordinary	100%	Dormant holding company
Wright Build Limited *	Ordinary	100%	Maintenance and construction
TL Electrical Services (2002) Limited	Ordinary	100%	Electrical services

* Indirectly held via Wright Build Holdings Limited.

The principal activity of Wright Build Holdings Limited during the year was that of managing the subsidiary company Wright Build Limited.

The principal activity of Wright Build Limited during the year was that of property maintenance and building contractors.

TL Electrical Services (2002) Limited was dormant throughout the current year.

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

13. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and WIP	21,045	19,264	21,045	19,264
Long term development project	890,493	563,590	890,493	563,590
Development property and land	1,063,800	1,073,796	1,004,136	1,034,344
Long term contract balances	47,181	33,806	-	-
	2,022,519	1,690,456	1,915,674	1,617,198

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.

14. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	3,078,254	2,878,254	3,078,254	2,878,254
Prepayments and accrued income	914,991	914,991	914,991	914,991
Amounts recoverable on long term contracts	392,680	232,179	392,680	232,179
Due within one year				
Trade debtors	799,010	728,126	-	-
Amounts owed by group undertakings	-	-	193,206	-
Other debtors	11,083	7,917	5,176	1,890
Prepayments and accrued income	878,943	562,412	806,163	502,297
Amounts recoverable on long term contracts	9,206,593	7,881,016	9,230,350	7,881,016
	15,281,554	13,204,895	14,620,820	12,410,627

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

15. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Payments received on account	1,840,214	839,173	1,840,214	839,173
Trade creditors	10,346,392	9,052,142	10,336,105	8,786,799
Amounts owed to group undertakings	-	-	72,338	114,366
Corporation tax	112,387	292,498	94,437	274,000
Other taxation and social security	2,109,784	1,754,981	1,918,267	1,558,052
Other creditors	592,002	427,053	535,198	388,231
Accruals and deferred income	1,974,884	2,565,638	1,921,430	2,477,282
	<u>16,975,663</u>	<u>14,931,485</u>	<u>16,717,989</u>	<u>14,437,903</u>

16. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed to group undertakings	100,000	100,000	100,000	100,000
Trade creditors	288,553	95,577	288,553	95,577
	<u>388,553</u>	<u>195,577</u>	<u>388,553</u>	<u>195,577</u>

17. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	51,526	(10,411)	43,010	(18,927)
(Decrease)/Increase during the year	2,140	61,937	2,140	61,937
At end of year	<u>53,666</u>	<u>51,526</u>	<u>45,150</u>	<u>43,010</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015 £	2014 £	2015 £	2014 £
Accelerated capital allowances	(53,760)	(46,230)	(53,760)	(46,230)
Short term and other timing differences	94	(5,296)	8,610	3,220
	<u>(53,666)</u>	<u>(51,526)</u>	<u>(45,150)</u>	<u>(43,010)</u>

18. Provisions

Provision for contract cost adjustments and warranty provision:

	2015 £	2014 £
At 1 April 2014	170,434	157,856
Net movement in the year	5,532	12,578
Total	<u>175,966</u>	<u>170,434</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

19. Pension commitments

The group operates a defined contribution scheme being an alternative to the closed defined benefit scheme. The assets of this scheme are held separately from those of the group in a separately administered fund.

The group operates a defined benefit pension scheme for the benefit of its directors and certain employees, the assets of which are held in a separately administered fund managed by Friends Provident Life and Pensions Limited. 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 company 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.

The group expects to contribute £79,000 to its defined benefit pension scheme in 2015.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,850,000)	(2,461,000)
Fair value of scheme assets	2,931,000	2,591,000
Surplus in scheme	81,000	130,000
Surplus not recognised	(81,000)	(130,000)
Net asset	-	-

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Interest on pension scheme liabilities	(129,000)	(111,000)
Expected return on scheme assets	129,000	111,000
Total	-	-

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

19. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	2,461,000	2,598,000
Interest cost	129,000	111,000
Actuarial (gains)/losses	278,000	(41,000)
Benefits paid	-	(205,000)
Adjustments due to para 67c	(18,000)	(2,000)
Closing defined benefit obligation	2,850,000	2,461,000

Changes in the fair value of scheme assets were as follows:

	2015 £	2014 £
Opening fair value of scheme assets	2,591,000	2,605,000
Expected return on assets	129,000	111,000
Actuarial (losses)/gains	123,000	(43,000)
Contributions by employer	88,000	123,000
Benefits paid	-	(205,000)
	2,931,000	2,591,000

The total amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £(70,400) (2014: £(98,400)).

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of total recognised gains and losses was £(620,182) (2014: £(690,580)).

The group expects to contribute £79,000 to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equity	36.06 %	34.62 %
Bonds	1.16 %	1.12 %
Property	4.20 %	4.01 %
With profits policy	43.98 %	47.71 %
Cash	14.60 %	12.54 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate at 31 March	3.35 %	4.50 %
Rate of increase in pension payments	3.10 %	3.30 %
Rate of increase in deferred pensions	2.10 %	2.30 %
Inflation assumption	3.10 %	3.30 %

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

19. Pension commitments (continued)

The long term expected rate of return on cash and the 'with profits' policy is determined by reference to UK long dated government bonds at the balance sheet date. The long term expected rate of return on equities is based on corporate bond yields with an allowance for out-performance.

The actual return on scheme assets over the year ended 31 March 2015 was £252,000.

Amounts for the current and previous five periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(2,850,000)	(2,461,000)	(2,598,000)	(2,286,000)	(2,121,000)
Scheme assets	2,931,000	2,591,000	2,605,000	2,337,000	2,117,000
Surplus/(deficit)	81,000	130,000	7,000	51,000	(4,000)
Experience adjustments on scheme liabilities	-	-	-	(75,000)	(27,000)
Experience adjustments on scheme assets	123,000	(43,000)	112,000	(79,000)	(18,000)

20. Operating lease commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	14,550	-	-	-
Between 2 and 5 years	13,420	27,350	4,667	4,667
After more than 5 years	64,420	64,420	-	-

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Company	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	14,550	-	-	-
Between 2 and 5 years	13,420	27,350	-	-
After more than 5 years	60,000	60,000	-	-

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

21. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

22. Reserves

	Profit and loss account £
Group	
At 1 April 2014	4,995,334
Profit for the financial year	1,275,413
Equity dividends paid	(375,000)
Net actuarial loss in relation to the defined benefit pension scheme	(70,400)
	<u>5,825,347</u>
At 31 March 2015	

	Profit and loss account £
Company	
At 1 April 2014	4,403,057
Profit for the financial year	1,421,125
Equity dividends paid	(375,000)
Net actuarial loss in relation to the defined benefit pension scheme	(70,400)
	<u>5,378,782</u>
At 31 March 2015	

The closing balance on the profit and loss account includes a £70,400 (2014: £98,400) debit, stated after deferred taxation of £17,600. (2014: £24,600), in respect of pension scheme liabilities of the Group and Company pension scheme.

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

23. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Group		
Opening shareholders' funds	5,045,334	4,322,951
Profit for the financial year	1,275,413	1,080,783
Equity dividends paid (Note 24)	(375,000)	(260,000)
Net actuarial loss in relation to the defined benefit pension scheme	(70,400)	(98,400)
Closing shareholders' funds	<u>5,875,347</u>	<u>5,045,334</u>

	2015 £	2014 £
Company		
Opening shareholders' funds	4,453,057	3,839,596
Profit for the financial year	1,421,125	971,861
Equity dividends paid (Note 24)	(375,000)	(260,000)
Net actuarial loss in relation to the defined benefit pension scheme	(70,400)	(98,400)
Closing shareholders' funds	<u>5,428,782</u>	<u>4,453,057</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £1,421,125 (2014: £971,861).

24. Dividends

	2015 £	2014 £
Equity dividends paid	<u>375,000</u>	<u>260,000</u>

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

25. Net cash flow from operating activities

	2015 £	2014 £
Operating profit	1,607,561	1,444,151
Amortisation of intangible fixed assets	317,821	52,718
Depreciation of tangible fixed assets	213,926	185,751
Profit on disposal of tangible fixed assets	(1,844)	(24,917)
Government grants received	(25,543)	(20,340)
Increase in stocks	(332,062)	(172,540)
(Increase)/decrease in debtors	(2,076,659)	1,815,140
Increase/(decrease) in creditors	2,417,264	(1,489,575)
Increase in provisions	5,532	12,578
Defined benefit pension contributions paid	(88,000)	(98,400)
Non-financing interest paid	-	(12,673)
Net cash inflow from operating activities	2,037,996	1,691,893

26. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	47,505	36,694
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(203,727)	(336,985)
Sale of tangible fixed assets	6,175	37,371
Government grants received	25,543	20,340
Net cash outflow from capital expenditure	(172,009)	(279,274)
Acquisitions and disposals		
Deferred consideration paid	-	(14,995)

JOHN TURNER CONSTRUCTION GROUP LTD

Notes to the financial statements For the year ended 31 March 2015

27. Analysis of changes in net funds

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	4,102,720	998,468	-	5,101,188
Debt:				
Debts due within one year	-	-	-	-
Debts falling due after more than one year	(100,000)	-	-	(100,000)
Net funds	4,002,720	998,468	-	5,001,188

28. 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 is a shareholder. At the balance sheet date, work in progress and accrued income relating to Cottam Hall Properties Limited was £890,493 (2014: £563,592) and £914,991 (2014: £914,991) respectively.

During the year, an amount of £60,000 (2014: £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 £678,068 (2014: £287,980) to John J Clarke, a director of the group, in relation to the construction and refurbishment of property. An amount of £270,023 was outstanding from John J Clarke at the balance sheet date (2014 £nil). This sum was invoiced on 31 May 2015 and paid in full on 24 June 2015.

The company has taken advantage of the exemption conferred by FRS 8 not to disclose details of transactions with other members of the group. The balances with group companies as at 31 March 2015 were as follows:

	2015 £	2014 £
John Turner Holdings Limited	3,078,254	2,878,254
John Turner Group Limited	(100,000)	(100,000)
TL Electrical Services (2002) Limited	(100)	(100)
Wright Build Limited	112,197	(114,366)
Wright Build (Holdings) Limited	-	-

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Notes to the financial statements For the year ended 31 March 2015

29. Ultimate parent company

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

Copies of the John Turner Holdings Limited consolidated financial statements, which include the company and its subsidiaries, are available from 2 Preston Road, Grimsargh, Preston, Lancashire, PR2 5SD.