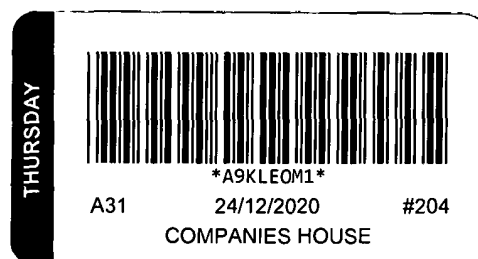


Company Registration No. 02343739 (England and Wales)

**JOHN TURNER CONSTRUCTION GROUP LTD**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY INFORMATION

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<b>Directors</b>	John J Clarke - Chairman / Managing Director Nigel A Sharp - Operations Director Julian D Haigh, BSc, MRICS - Commercial Director Pauline M Clarke - Non-Executive Director Michael T Davies, FCCA - Finance Director (Appointed 01/07/2019)
<b>Secretary</b>	Michael T Davies, FCCA
<b>Company number</b>	02343739
<b>Registered/Head office</b>	2 Preston Road Grimsargh Preston Lancashire PR2 5SD
<b>Manchester office</b>	Suite 3b, Paragon House Seymour Grove Old Trafford Manchester M16 0LN
<b>Liverpool office</b>	15 Hurricane Court Hurricane Drive Speke Liverpool L24 8RL
<b>Auditor</b>	Azets Audit Services Ship Canal House 98 King Street Manchester M2 4WU
<b>Bankers</b>	Royal Bank of Scotland plc Salford Shopping Centre (A) Branch 115 Mather Way Salford Shopping Centre Salford M6 5EH
<b>Email address</b>	administration@johnturner.co.uk
<b>Website</b>	www.johnturner.co.uk

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# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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In the year ended 31 March 2020, despite the start of the Covid-19 pandemic, the Group has returned another good performance. Turnover reached £75.1m with pre-tax profits at £1.02m. Our Balance Sheet remains strong with key performance measures all improving. Cash now stands at £11.0m and we continue to have no bank or other financial borrowings. Our prudent approach, strong balance sheet and cash reserves puts us in the best possible position to weather the current global crisis.

We again worked extremely hard throughout the year to maintain our good reputation with various key clients across the region. This has resulted in numerous opportunities for repeat business and in many situations we continue to be the contractor of choice.

All of our staff are extremely proud of the excellent reputation we have earned in the industry. Whilst we maintained our strong public sector presence within the year, in both Health and Education projects, I was extremely pleased to report our excellent performance in new private sector schemes. This year, this element of our business provided 43% of our turnover. The value of our single project has also increased and recently we have again been awarded contracts where the value of each project exceeds £10m.

Diversity in the sectors in which we work is a priority and enables us to cope with the challenges that are presented in the marketplace.

Again our specialist divisions of bespoke manufactured joinery and electrical works returned good results and our maintenance division had a record year in terms of both turnover and profit.

The performance of the activities within the business is key to our success and maintaining our ISO accreditations, covering Quality, Health & Safety, Environment and Energy Management, is critical to this. All the above standards were successfully audited and renewed within the year.

We were awarded the 3 year accreditation, in September 2019, for the Investors in People framework. We are proud to have been part of this standard for over 20 years and this signals our commitment to good business and people management excellence.

We also achieved our 15th Gold Medal in a row and received the prestigious RoSPA Order of Distinction Award for this exceptional performance – well done to everyone!

Employee engagement is an important aspect of our business and our employee lead charity group (TLC) continued to work tirelessly and this year a team of employees completed the Race for Life Pretty Muddy 5k in Preston raising funds for many good causes. Throughout the year these included Derian House, The Joshua Tree, East Lancashire Hospital Trust and Cancer Research UK to name but a few.

The year to 31 March 2021 started with a partial shutdown of some site operations due to Covid-19. The impact of this on long term projects has been provided for in the 19/20 accounts. In the year to 31 March 2021 we have over £66m of Group turnover currently secured and over £36m of turnover secured for the year to 31 March 2022.

All the various factors above enable me to look forward to the future of the business with confidence.



John J Clarke  
Chairman

18 December 2020

# **JOHN TURNER CONSTRUCTION GROUP LTD**

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# **JOHN TURNER CONSTRUCTION GROUP LTD**

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All the various factors above enable me to look forward to the future of the business with confidence.



John Clarke  
Chairman  
18 December 2020

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present the strategic report for the year ended 31 March 2020.

### **Review of the Business**

The principal activity of the Group throughout the year continued to be as a building contractor.

The Group has returned a good performance in the current challenging and competitive market. Turnover of £75.1m was achieved (2019: £76.8m) with gross margins of 7.3%. Retained earnings remained healthy with the Group's net asset total now £9.246m (2019: £10.195m).

The Group Balance Sheet remains strong with key performance measures all improving. Cash has increased by 7.8% to £11.305m and net current assets at £9.069m. The Company continues to have no bank or other financial borrowings.

Negotiations regarding the two development projects that the Company is associated with have progressed during the year. The first housing land sale was completed at the Cottam Site where we are employed as an agent for BXB Cottam Properties Limited and as a result we were contracted to build an associated access road. Negotiations are progressing satisfactorily with both a potential key anchor tenant and further house builders. An agreement was reached for the development of the Nelson site on behalf of a Housing Association and the build project is progressing well.

### **Developments and future outlook**


The directors of the Company continue to look ahead and, despite the Coronavirus pandemic, view the future with confidence. For the year to 31st March 2021, over £68m of Group turnover is currently secured, with also over £36m already secured for the year to 31st March 2022.

### **Principal risks and uncertainties**

In addition to general risks and uncertainties, the world is facing an unprecedented event due to Coronavirus. Our commitment to health and safety coupled with an ability to adapt has allowed us to quickly revisit construction site protocols and working practices within our offices to create covid secure working environments. This agile approach has resulted in a high percentage of continued operations and successful delivery of projects for our clients.

Our continuing financial strength enables the Group to successfully manage the enhanced 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 keeps us as the main contractor of choice.

On behalf of the board



John J. Clarke - Chairman / Managing Director  
Director  
18 December 2020

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

The directors present their annual report and financial statements for the year ended 31 March 2020.

### **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  
Michael T Davies, FCCA (Appointed 01/07/2019)

### **Results and dividends**

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

Ordinary dividends were paid amounting to £1,779,840. The directors do not recommend payment of a further dividend.

### **Auditor**

The auditor, Azets Audit Services (previously trading as Baldwins Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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 2020**

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### **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 auditor of the company 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 auditor of the company is aware of that information.

### **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.

### **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.

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **Employee Involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Energy and carbon report**

The Company has committed to reducing its impact on the environment, including climate change. This commitment has been shown by the company's ongoing accreditation to the ISO 14001 (environmental) and ISO 50001 (energy) International standards.

Over recent years the Company has implemented a number energy efficiency measures as part of its ISO 50001 commitment to continual improvement. This commitment has seen the installation of smart meters to our head offices and an energy efficiency campaign throughout our offices and construction sites, including posters and stickers to raise awareness of energy usage. The aim of replacing our LEV installation, in our bespoke joinery workshop, with an energy efficient "soft start" system with variable flow rates was to increase the energy efficiency of the company into the future. Our energy management system is externally audited each year to ensure that the company is making all reasonable efforts towards the goal of continual improvement.

As part of the ISO 50001 accreditation the company measures energy usage, sets energy performance indicators, sets annual targets against significant usage areas and identifies opportunities for improvement.

The energy efficiency measures which have been implemented in the reporting period include:

- Phasing out of "traditional" lighting technologies, such as sodium, fluorescent and incandescent lamps by replacing these lamps with high efficiency LED lighting
- Ongoing removal of aging plant with more energy efficient replacements
- Replacing company owned vehicles with more energy efficient models
- Continuous weekly tracking of employee locations to create an efficient use of labour in terms of reduced travel distances
- Expansion of our use of virtual meetings to enhance collaboration whilst reducing unnecessary travel.

# JOHN TURNER CONSTRUCTION GROUP LTD

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The table below shows the company's total energy use in kWh and the emissions arising as a result of that energy usage in kg of CO<sub>2</sub>e.

Emissions Source	Operational Area	Energy (kWh)	Emissions (kgCO <sub>2</sub> e)
Emissions from burning natural gas, namely for heating	Combustion of natural gas	15,017	2,674
Emissions from burning fuel, DERV & gas oil through company owned and rented fleet, "grey fleet" and plant including generation of electricity	Combustion of fuels	2,080,797	505,636
Indirect emissions of purchased electricity	Electricity	855,642	199,484
Total		2,957,456	707,795

### Intensity Ratio

Emissions	2018/20
Kgs CO <sub>2</sub> e per £100,000 turnover	1011

To allow the company to provide comparative figures each year and improve target setting, the intensity ratio is calculated to provide a year-to-year "normalising factor". The intensity ratio we have decided upon is Kilograms of CO<sub>2</sub> equivalent per £100,000 turnover. This normalising factor considers the company's turnover, allowing for variations in growth and productivity.

On behalf of the board

  
John J Clarke - Chairman / Managing Director  
Director

18 December 2020

# JOHN TURNER CONSTRUCTION GROUP LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF JOHN TURNER CONSTRUCTION GROUP LTD

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#### Opinion

We have audited the financial statements of John Turner Construction Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE SHAREHOLDER OF JOHN TURNER CONSTRUCTION GROUP LTD**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE SHAREHOLDER OF JOHN TURNER CONSTRUCTION GROUP LTD**

---

#### **Use of our report**

This report is made solely to the company's shareholder, 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 shareholder 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, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**David Clift (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor**

**18 December 2020**

**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 2020

	Notes	2020 £	2019 £
Turnover	3	75,102,133	76,835,894
Cost of sales		(69,586,238)	(70,774,441)
<b>Gross profit</b>		<b>5,515,895</b>	<b>6,061,453</b>
Distribution costs		(385,450)	(290,664)
Administrative expenses		(4,269,230)	(3,981,604)
Other operating income		18,085	10,400
<b>Operating profit</b>	4	<b>879,280</b>	<b>1,799,585</b>
Interest receivable and similar income	8	142,016	48,787
<b>Profit before taxation</b>		<b>1,021,296</b>	<b>1,848,372</b>
Taxation	10	(254,488)	23,670
<b>Profit for the financial year</b>		<b>766,808</b>	<b>1,872,042</b>
<b>Other comprehensive income</b>			
Actuarial gain/(loss) on defined benefit pension scheme		251,000	(22,000)
Movement in pension surplus reserve		(336,000)	(15,000)
Movement on deferred tax relating to pension surplus		14,450	6,290
<b>Total comprehensive income for the year</b>		<b>696,258</b>	<b>1,841,332</b>

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 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	1,023,245	1,185,907
Investment properties	14	200,000	-
		<u>1,223,245</u>	<u>1,185,907</u>
<b>Current assets</b>			
Stocks	17	187,584	2,252,907
Debtors	18	14,968,322	16,511,835
Cash at bank and in hand		10,970,386	10,490,735
		<u>26,126,302</u>	<u>29,255,477</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(17,088,780)</u>	<u>(19,585,863)</u>
<b>Net current assets</b>		<u>9,037,522</u>	<u>9,669,614</u>
<b>Total assets less current liabilities</b>		<u>10,260,767</u>	<u>10,855,521</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(692,077)	(402,601)
<b>Provisions for liabilities</b>	21	(457,077)	(257,725)
<b>Net assets</b>		<u>9,111,613</u>	<u>10,195,195</u>
<b>Capital and reserves</b>			
Called up share capital	23	50,000	50,000
Revaluation reserve		130,762	130,762
Profit and loss reserves		8,930,851	10,014,433
<b>Total equity</b>		<u>9,111,613</u>	<u>10,195,195</u>

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

John J Clarke  
Chairman



# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	828,118	965,878
Investment properties	14	200,000	-
Investments	15	784,617	784,617
		<u>1,812,735</u>	<u>1,750,495</u>
<b>Current assets</b>			
Stocks	17	84,310	2,109,803
Debtors	18	13,498,998	15,150,620
Cash at bank and in hand		10,328,572	9,699,372
		<u>23,911,880</u>	<u>26,959,795</u>
<b>Creditors: amounts falling due within one year</b>	19	(16,588,890)	(18,637,489)
<b>Net current assets</b>		<u>7,322,990</u>	<u>8,322,306</u>
<b>Total assets less current liabilities</b>		<u>9,135,725</u>	<u>10,072,801</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(692,077)	(402,601)
<b>Provisions for liabilities</b>	21	(417,166)	(249,308)
<b>Net assets</b>		<u>8,026,482</u>	<u>9,420,892</u>
<b>Capital and reserves</b>			
Called up share capital	23	50,000	50,000
Other reserves		130,762	130,762
Profit and loss reserves		7,845,720	9,240,130
<b>Total equity</b>		<u>8,026,482</u>	<u>9,420,892</u>

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 £455,981 (2019 - £1,682,302 profit).

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

John J Clarke - Chairman / Managing Director  
Director

Company Registration No. 02343739

# JOHN TURNER CONSTRUCTION GROUP LTD

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2018</b>		50,000	130,762	8,873,101	9,053,863
<b>Year ended 31 March 2019:</b>					
Profit for the year		-	-	1,872,042	1,872,042
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(22,000)	(22,000)
Movement on pension surplus reserve		-	-	(15,000)	(15,000)
Deferred tax on defined benefit pension scheme		-	-	6,290	6,290
Total comprehensive income for the year		-	-	1,841,332	1,841,332
Dividends	11	-	-	(700,000)	(700,000)
<b>Balance at 31 March 2019</b>		50,000	130,762	10,014,433	10,195,195
<b>Year ended 31 March 2020:</b>					
Profit for the year		-	-	766,808	766,808
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	251,000	251,000
Movement on pension surplus reserve		-	-	(336,000)	(336,000)
Deferred tax on defined benefit pension scheme		-	-	14,450	14,450
Total comprehensive income for the year		-	-	696,258	696,258
Dividends	11	-	-	(1,779,840)	(1,779,840)
<b>Balance at 31 March 2020</b>		50,000	130,762	8,930,851	9,111,613

# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2018		50,000	130,762	8,288,537	8,469,299
<b>Year ended 31 March 2019:</b>					
Profit for the year		-	-	1,682,303	1,682,303
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(22,000)	(22,000)
Movement on pension surplus reserve		-	-	(15,000)	(15,000)
Deferred tax on defined benefit pension scheme		-	-	6,290	6,290
Total comprehensive income for the year		-	-	1,651,593	1,651,593
Dividends	11	-	-	(700,000)	(700,000)
<b>Balance at 31 March 2019</b>		<b>50,000</b>	<b>130,762</b>	<b>9,240,130</b>	<b>9,420,892</b>
<b>Year ended 31 March 2020:</b>					
Profit for the year		-	-	455,980	455,980
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	251,000	251,000
Movement on pension surplus reserve		-	-	(336,000)	(336,000)
Deferred tax on defined benefit pension scheme		-	-	14,450	14,450
Total comprehensive income for the year		-	-	385,430	385,430
Dividends	11	-	-	(1,779,840)	(1,779,840)
<b>Balance at 31 March 2020</b>		<b>50,000</b>	<b>130,762</b>	<b>7,845,720</b>	<b>8,026,482</b>

# JOHN TURNER CONSTRUCTION GROUP LTD

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	2,350,130		1,992,878	
Income taxes paid		(179,446)		(400,750)	
<b>Net cash inflow from operating activities</b>		<b>2,170,684</b>		<b>1,592,128</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(63,713)		(250,063)	
Proceeds on disposal of tangible fixed assets		10,504		26,363	
Interest received		142,016		48,787	
<b>Net cash generated from/(used in) investing activities</b>		<b>88,807</b>		<b>(174,913)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(1,779,840)		(700,000)	
<b>Net cash used in financing activities</b>		<b>(1,779,840)</b>		<b>(700,000)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>479,651</b>		<b>717,215</b>	
Cash and cash equivalents at beginning of year		10,490,735		9,773,520	
<b>Cash and cash equivalents at end of year</b>		<b>10,970,386</b>		<b>10,490,735</b>	

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 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, Lancashire, 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 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:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 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 2020

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The directors have prepared detailed profit and cash flow projections for a period of 12 months from the date of signing these accounts, which demonstrate that the Group will remain profitable. These projections take into account the directors' best estimate of the impact of Covid-19.

The Group monitors its cash flow as part of its daily control procedures. The Directors consider the cash position and future requirements on a regular basis and ensure that appropriate facilities are available.

The directors have assumed that all current available support will continue and, accordingly, consider it appropriate that the accounts are prepared on the going concern basis. These accounts do not include any adjustments that may be required should the going concern basis of preparation not be appropriate.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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. Subcontractor costs are accounted for on the basis of certified invoices received. Turnover derived from variations on contracts is recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts during the year in which they are first foreseen.

Costs incurred in the early stages of contracts or where progress contract values are individually insignificant are held on the balance sheet as work in progress; related sales invoices are treated as deferred income.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

#### 1.6 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.

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

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
Leasehold improvements	Enter depreciation rate via StatDB - cd99988
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 FRS102 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.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 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.

#### 1.12 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 initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

##### **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.



# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity Instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 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.

#### **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.

# **JOHN TURNER CONSTRUCTION GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **1 Accounting policies**

**(Continued)**

#### **1.15 Provisions**

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.

#### **1.16 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.17 Retirement benefits**

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2020. 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.

#### **1.18 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.19 Government grants

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

#### 1.20 Dividends

Equity dividends are recognised when they become legally payable.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Provisions for loss making contracts

Where losses on contracts are expected, an appropriate provision 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.

#### COVID-19

The Directors have considered the impact of COVID-19 on the business, in particular the effects of the restrictions imposed by the UK Government including the mandatory closure of certain businesses and limitations imposed on non-essential travel. Like many other businesses, the ability of the company to trade profitably during this global pandemic is inherently uncertain and the extent, duration and impact of these restriction remains unknown. The impact on the business and the steps taken by the directors to mitigate the related risks are explained in more detail in the Strategic Report. The longer term impacts remain unknown and include a potential economic downturn which may subsequently have an effect on contracts, customers and the company's supply chain.

#### Business continuity

The directors have considered the impact of COVID-19 on the business which has occurred since the balance sheet date. They believe that the Group will have sufficient cash and facilities available to it to trade through a temporary scaling back of its operations and until the industry returns to business as usual. The Directors will access government support as needed and believe that this government support as well as other commercial facilities will be readily available if and when required to enable the Group to continue to trade as a going concern for at least 12 months from signing these accounts.

### 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.

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	220,588	252,043
Profit on disposal of tangible fixed assets	(4,717)	(16,208)
Operating lease charges	582,068	578,804

### 5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	28,070	27,700
Audit of the company's subsidiaries	8,930	6,710
	37,000	34,410

### 6 Employees

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

	2020 Number	2019 Number
Construction and service	147	151
Administration and supervision	39	41
Management	72	71
	258	263

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	9,188,020	9,099,481
Social security costs	732,706	689,879
Pension costs	415,845	415,796
	10,336,571	10,205,136

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	506,816	412,907
Company pension contributions to defined contribution schemes	57,212	42,395
	<u>564,028</u>	<u>455,302</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 2).

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

	2020 £	2019 £
Remuneration for qualifying services	163,983	176,192
Company pension contributions to defined contribution schemes	24,284	17,090
	<u>188,267</u>	<u>193,282</u>

### 8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	61,381	48,720
Other interest income	80,635	67
	<u>142,016</u>	<u>48,787</u>

### 9 Other finance costs

	2020 £	2019 £
Fair value gains/(losses) on financial instruments		
Expected return on pension scheme assets	56,000	60,000
Interest on pension scheme liabilities	(56,000)	(60,000)
	<u>-</u>	<u>-</u>

### 10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	188,885	344,107
Adjustments in respect of prior periods	(51,584)	(30,588)
Tax relating to prior year adjustments recognised in profit or loss	-	(343,479)
	<u>137,301</u>	<u>(29,960)</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 10 Taxation

(Continued)

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	45,944	6,290
Other adjustments	71,243	-
<b>Total deferred tax</b>	<b>117,187</b>	<b>6,290</b>
<b>Total tax charge/(credit)</b>	<b>254,488</b>	<b>(23,670)</b>

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

	2020 £	2019 £
<b>Profit before taxation</b>	<b>1,021,296</b>	<b>1,848,372</b>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	194,048	351,191
Tax effect of expenses that are not deductible in determining taxable profit	1,268	9,881
Adjustments in respect of prior years	(51,584)	(30,588)
Research and development tax credit	-	(343,479)
Other non-reversing timing differences	41,886	(7,405)
Other permanent differences	31,700	-
Under/(over) provided in prior years	2,681	-
Deferred tax adjustments in respect of prior years	20,041	-
Differences between capital allowances and depreciation	-	(9,560)
Deferred tax relating to defined benefit pension scheme	14,450	6,290
<b>Taxation charge/(credit)</b>	<b>254,488</b>	<b>(23,670)</b>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(14,450)	(6,290)

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Equity dividends paid	<u>1,779,840</u>	<u>700,000</u>
<b>12 Intangible fixed assets</b>		
<b>Group</b>		<b>Goodwill</b>
		£
<b>Cost</b>		
At 1 April 2019 and 31 March 2020		<u>455,170</u>
<b>Amortisation and impairment</b>		
At 1 April 2019 and 31 March 2020		<u>455,170</u>
<b>Carrying amount</b>		
At 31 March 2020		-
At 31 March 2019		-
<b>Company</b>		<b>Goodwill</b>
		£
<b>Cost</b>		
At 1 April 2019 and 31 March 2020		<u>167,452</u>
<b>Amortisation and impairment</b>		
At 1 April 2019 and 31 March 2020		<u>167,452</u>
<b>Carrying amount</b>		
At 31 March 2020		-
At 31 March 2019		-

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 13 Tangible fixed assets

Group	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2019	550,000	129,599	1,532,258	1,011,128	3,222,985
Additions	-	-	11,454	52,259	63,713
Disposals	-	-	-	(73,283)	(73,283)
At 31 March 2020	550,000	129,599	1,543,712	990,104	3,213,415
<b>Depreciation and impairment</b>					
At 1 April 2019	64,077	110,024	1,233,002	629,975	2,037,078
Depreciation charged in the year	12,816	2,936	78,748	126,088	220,588
Eliminated in respect of disposals	-	-	-	(67,496)	(67,496)
At 31 March 2020	76,893	112,960	1,311,750	688,567	2,190,170
<b>Carrying amount</b>					
At 31 March 2020	473,107	16,639	231,962	301,537	1,023,245
At 31 March 2019	485,923	19,575	299,256	381,153	1,185,907

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2019	550,000	1,357,406	734,809	2,642,215
Additions	-	3,000	26,794	29,794
Disposals	-	-	(40,238)	(40,238)
At 31 March 2020	550,000	1,360,406	721,365	2,631,771
<b>Depreciation and impairment</b>				
At 1 April 2019	64,077	1,095,653	516,607	1,676,337
Depreciation charged in the year	12,816	72,271	82,467	167,554
Eliminated in respect of disposals	-	-	(40,238)	(40,238)
At 31 March 2020	76,893	1,167,924	558,836	1,803,653
<b>Carrying amount</b>				
At 31 March 2020	473,107	192,482	162,529	828,118
At 31 March 2019	485,923	261,753	218,202	965,878

FRS 102 prescribes that the Group may take the open market value of the freehold land and property at the transition date as the 'deemed cost' of the freehold land and property with the uplift being a non distributable reserve to be held up until eventual disposal, as per FRS 102 Section 35.10d.



# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 14 Investment property

	Group 2020 £	Company 2020 £
<b>Fair value</b>		
At 1 April 2019	-	-
Transfers from inventories	200,000	200,000
<b>At 31 March 2020</b>	<b>200,000</b>	<b>200,000</b>

Investment property comprises of a freehold property which has been transferred from work in progress during the year. The fair value of the investment property has been arrived at on the basis of a valuation carried out using external market data. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The valuation held at year end is the same as the historical cost of £200,000.

### 15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	784,617	784,617

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2019 and 31 March 2020	784,617
<b>Carrying amount</b>	
At 31 March 2020	784,617
At 31 March 2019	784,617

### 16 Subsidiaries

The company owned 100% of the ordinary share capital of the following subsidiaries at 31 March 2020:

Name of undertaking	Country of Incorporation	Nature of business
TL Electrical Services (2002) Limited	United Kingdom	Dormant
Wright Build Holdings Limited	United Kingdom	Non-trading holding company
Wright Build Limited *	United Kingdom	Maintenance and building contractors

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 16 Subsidiaries

(Continued)

\* Held indirectly via Wright Build Holdings Limited.

The registered office of all subsidiaries is 2 Preston Road, Grimsargh, Preston, Lancashire, PR2 5SD.

### 17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and WIP	84,310	129,294	84,310	38,059
Long term development project	-	922,411	-	800,003
Development property and land	103,284	1,271,741	-	1,271,741
Long term contract balances	-	51,869	-	-
	<u>187,694</u>	<u>2,252,907</u>	<u>84,310</u>	<u>2,109,803</u>

In the current year the long term development projects have been sold or moved to investment property and the development land and property has become a standard long term contract with any balances outstanding held within debtors.

### 18 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,452,072	1,251,142	-	-
Gross amounts owed by contract customers	7,040,856	9,304,304	7,040,856	9,304,304
Corporation tax recoverable	121,220	29,274	121,220	29,274
Amounts owed by group undertakings	3,078,254	3,078,254	3,078,254	3,078,254
Other debtors	220,952	354,066	219,882	352,996
Prepayments and accrued income	1,968,446	2,242,319	1,952,264	2,133,316
	<u>13,881,800</u>	<u>16,259,359</u>	<u>12,412,476</u>	<u>14,898,144</u>
<b>Amounts falling due after more than one year:</b>				
Gross amounts owed by contract customers	<u>1,086,522</u>	<u>252,476</u>	<u>1,086,522</u>	<u>252,476</u>
<b>Total debtors</b>	<u>14,968,322</u>	<u>16,511,835</u>	<u>13,498,998</u>	<u>15,150,620</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 19 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Payments received on account	2,202,721	2,124,027	2,202,721	2,124,027
Trade creditors	10,164,084	9,542,154	8,544,038	8,026,907
Amounts owed to group undertakings	-	-	1,119,626	197,797
Corporation tax payable	84,877	32,784	-	-
Other taxation and social security	1,626,060	1,957,564	1,217,915	1,695,049
Other creditors	180,567	224,419	167,743	197,236
Accruals and deferred income	2,830,471	5,704,915	2,336,847	5,396,473
	<u>17,088,780</u>	<u>19,585,863</u>	<u>16,588,890</u>	<u>18,637,489</u>

### 20 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	592,077	302,601	592,077	302,601
Amounts owed to group undertakings	100,000	100,000	100,000	100,000
	<u>692,077</u>	<u>402,601</u>	<u>692,077</u>	<u>402,601</u>

### 21 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Other provisions		290,519	191,612	290,519	191,612
Deferred tax liabilities	22	166,558	66,113	126,647	57,696
		<u>457,077</u>	<u>257,725</u>	<u>417,166</u>	<u>249,308</u>

Movements on provisions apart from deferred tax liabilities:

Group	£
At 1 April 2019	191,612
Additional provisions in the year	98,907
At 31 March 2020	<u>290,519</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 21 Provisions for liabilities

(Continued)

Company	Other provisions £
At 1 April 2019	191,612
Additional provisions in the year	98,907
At 31 March 2020	<u>290,519</u>

### 22 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:

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	77,987	48,000
Revaluations	29,229	26,152
Short term and other timing differences	59,342	(9,039)
	<u>166,558</u>	<u>66,113</u>
Company	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	36,918	40,583
Revaluations	29,229	26,152
Short term and other timing differences	60,500	(9,039)
	<u>126,647</u>	<u>57,696</u>
Movements in the year:	Group 2020 £	Company 2020 £
Liability at 1 April 2019	66,113	57,696
Charge to profit or loss	100,445	68,951
Liability at 31 March 2020	<u>166,558</u>	<u>126,647</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 23 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

### 24 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	415,845	416,796

The Group operates a defined contribution pension scheme for all qualifying employees and a further defined contribution scheme for the benefit of a Director. The assets of the schemes are held separately from those of the group in independently administered funds.

#### Defined benefit schemes

The company 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 2020 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 £85,000 per annum from 6 April 2017 to 5 April 2020 and £74,000 per annum from 6 April 2020 to 4 April 2023 in order to clear the scheme's funding deficit by 5 April 2023 as anticipated in the scheme Recovery Plan arising from this actuarial valuation.

	2020	2019
	%	%
Key assumptions		
Discount rate	2.41	2.46
Rate of increase in pension payments	2.85	3.50
Rate of increase in deferred pensions	2.05	2.50
Inflation assumptions	2.80	3.30

	2020	2019
	£	£
Amounts recognised in the profit and loss account		
Other costs and income	-	48,000

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 24 Retirement benefit schemes

(Continued)

	2020 £	2019 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(93,000)	(144,000)
Less: calculated interest element	56,000	57,000
Return on scheme assets excluding interest income	(37,000)	(87,000)
Actuarial changes related to obligations	(214,000)	139,000
Effect of changes in the amount of surplus that is not recoverable	336,000	(15,000)
Total costs	85,000	37,000

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

	2020 £	2019 £
<b>Group and Company</b>		
Present value of defined benefit obligations	2,028,000	2,332,000
Fair value of plan assets	(2,436,000)	(2,404,000)
Deficit in scheme	(408,000)	(72,000)
Restriction on scheme assets	408,000	72,000
Total liability recognised	-	-

The company had no post employment benefits at 31 March 2020 or 1 April 2019.

	Group and Company 2020 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2019	2,332,000
Benefits paid	(146,000)
Actuarial gains and losses	(214,000)
Interest cost	56,000
At 31 March 2020	2,028,000

The defined benefit obligations arise from plans which are wholly or partly funded.

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 24 Retirement benefit schemes

(Continued)

	Group and Company 2020 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2019	2,404,000
Interest income	56,000
Return on plan assets (excluding amounts included in net interest)	37,000
Benefits paid	(146,000)
Contributions by the employer	85,000
At 31 March 2020	<u>2,436,000</u>

The actual return on plan assets was £93,000 (2019 - £144,000).

#### *Fair value of plan assets at the reporting period end*

	Group and Company 2020 £	2019 £
Equity instruments	650,000	722,000
Debt instruments	33,000	30,000
Cash	267,000	217,000
Other	-	13,000
With-Profits policy	1,486,000	1,422,000
	<u>2,436,000</u>	<u>2,404,000</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	95,377	95,610	84,283	90,057
Between two and five years	282,333	304,091	260,000	279,283
In over five years	228,713	298,133	222,083	287,083
	<u>606,423</u>	<u>697,834</u>	<u>566,366</u>	<u>656,423</u>

### 26 Related party transactions

During the year, the group carried out development work on behalf of BXB Cottam Properties Limited, a company in which John J Clarke has a controlling interest. At the balance sheet date, work in progress, accrued income and amounts due to BXB Cottam Properties Limited were £nil (2019: £1,078,792), £672,216 (2019: £914,991) and £425,086 (2019: £5,034) respectively.

During the year, an amount of £67,500 (2019: £65,000) 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 £13,686 (2019: £113,500) 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 (2019: £1,427).

The company has taken advantage of the exemption conferred by Section 33 Related Party Disclosures paragraph 33.7. not to disclose details of transactions with other members of the group.

The following amounts were outstanding with group companies that do not form part of these consolidated accounts at the reporting end date:

	2020 £	2019 £
John Turner Holdings Limited	3,078,254	3,078,254
John Turner Group Limited	<u>(100,000)</u>	<u>(100,000)</u>



# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 27 Controlling party

The immediate holding company is John Turner Group Limited. The ultimate controlling company is JTC Napco Limited. There is no single controlling party by virtue of JTC Napco Limited's 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

	2020 £	2019 £
Profit for the year after tax	766,808	1,872,042
Adjustments for:		
Taxation charged/(credited)	254,488	(23,670)
Investment income	(142,016)	(48,787)
Gain on disposal of tangible fixed assets	(4,717)	(16,208)
Depreciation and impairment of tangible fixed assets	220,588	252,043
Transfer from stock to investment properties	(200,000)	-
Pension scheme non-cash movement	(85,000)	(37,000)
Increase/(decrease) in provisions	98,907	(3,747)
Movements in working capital:		
Decrease in stocks	2,065,313	131,196
Decrease/(increase) in debtors	1,635,459	(1,446,375)
(Decrease)/increase in creditors	(2,259,700)	1,313,384
<b>Cash generated from operations</b>	<b>2,350,130</b>	<b>1,992,878</b>

### 29 Analysis of changes in net funds - group

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	10,490,735	479,651	10,970,386