

Company Registration No. 02343739 (England and Wales)

**JOHN TURNER CONSTRUCTION GROUP LTD**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

FRIDAY



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COMPANIES HOUSE

# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY INFORMATION

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

**Secretary** Michael T Davies, FCCA

**Company number** 02343739

**Registered/Head office** 2 Preston Road  
Grimsargh  
Preston  
Lancashire  
PR2 5SD

**Manchester office** Suite 3b, Paragon House  
Seymour Grove  
Old Trafford  
Manchester  
M16 0LN

**Liverpool office** 15 Hurricane Court  
Hurricane Drive  
Speke  
Liverpool  
L24 8RL

**Auditor** CLB Coopers Audit Services  
5th Floor Ship Canal House  
98 King Street  
Manchester  
M2 4WU

**Bankers** Royal Bank of Scotland plc  
Salford Shopping Centre (A) Branch  
115 Mather Way  
Salford Shopping Centre  
Salford  
M6 5EH

**Email address** [administration@johnturner.co.uk](mailto:administration@johnturner.co.uk)

**Website** [www.johnturner.co.uk](http://www.johnturner.co.uk)

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# JOHN TURNER CONSTRUCTION GROUP LTD

## CONTENTS

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	<b>Page</b>
Chairman's statement	1
Group strategic report	2
Directors' report	3 - 5
Independent auditor's report	6 - 8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 33

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# JOHN TURNER CONSTRUCTION GROUP LTD

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2018**

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In the year ended 31 March 2018, the group has returned another good performance in what has remained a challenging and competitive market. Turnover increased to a record level of £76.095m with pre-tax profits also increasing to £2.108m. Our Balance Sheet remains strong with key performance measures all improving. Cash now stands at £9.774m and we continue to have no bank or other financial borrowings.

We 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 have been 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 element of our business continues to provide up to 40% of turnover. The value of our single project has also increased and post year end we have been awarded with 3 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, electrical works and maintenance returned good results and increased their turnover across the region.

The well-respected career development scheme within the business continued and 5 personnel successfully completed their training program and are now being offered key management roles within the company. Our yearly intake of apprentices was evident and we now have 20 such personnel employed across our divisions.

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 also achieved our 13th Gold Medal in a row from ROSPA and received another President's 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 in raising fund for many good causes. Throughout the year these included Guide Dogs UK, British Heart Foundation and The Trussell Trust to name but a few.

For the year to 31 March 2019 over £70m of Group turnover is currently secured, with also over £22m already secured for the year to 31 March 2020.

I look forward to the future of the business with confidence.

  
John J Clarke  
Chairman  
31 October 2018

# JOHN TURNER CONSTRUCTION GROUP LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present the strategic report for the year ended 31 March 2018.

### Review of the Business

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

The group has returned a good performance in the current challenging and competitive market. Turnover has increased by 0.07% to £76.1m (2017: £76m) whilst increasing gross margins to 7.9% resulting in operating profits growing by some 4.1%. Retained earnings increased the group's net asset total to £9.054m from £8.072m, an increase of 12%.

The Balance Sheet remains strong with key performance measures all improving. Cash has increased by 50.9% to £9.774m and net current assets increased by 14.6% to £8.806m. The group continues to have no bank or other financial borrowings.

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

### Principal risks and uncertainties

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

### Development and performance

The directors of the group continue to look ahead and view the future with confidence. For the year to 31st March 2019, over £70m of Group turnover is currently secured, with also over £22m already secured for the year to 31st March 2020.

On behalf of the board

  
John J Clarke  
Chairman

31 October 2018

# JOHN TURNER CONSTRUCTION GROUP LTD

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their annual report and financial statements for the year ended 31 March 2018.

### **Directors**

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

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

### **Results and dividends**

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

Ordinary dividends were paid amounting to £600,000. The directors do not recommend payment of a further dividend.

### **Auditor**

The auditor, CLB Coopers 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 2018**

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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 2018**

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### **Employee involvement**

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

### **Disabled employees**

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

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

By order of the board



Michael T Davies, FCCA

**Secretary**

31 October 2018



# 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 2018 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, the company 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 2018 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**

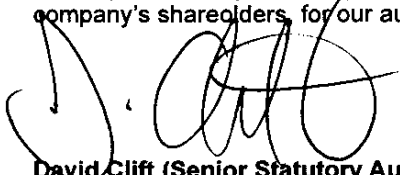
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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#### **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.



**David Clift (Senior Statutory Auditor)**

**for and on behalf of CLB Coopers Audit Services**

**31 October 2018**

**5th Floor 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 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	76,094,898	76,043,901
Cost of sales		(70,076,611)	(70,099,545)
<b>Gross profit</b>		6,018,287	5,944,356
Distribution costs		(217,144)	(147,329)
Administrative expenses		(3,768,479)	(3,873,440)
Other operating income		38,969	65,988
<b>Operating profit</b>	<b>4</b>	2,071,633	1,989,575
Interest receivable and similar income	<b>8</b>	36,706	34,426
Interest payable and similar expenses	<b>9</b>	-	(1,288)
<b>Profit before taxation</b>		2,108,339	2,022,713
Taxation	<b>11</b>	(415,225)	(390,279)
<b>Profit for the financial year</b>		1,693,114	1,632,434
<b>Other comprehensive income</b>			
Actuarial loss on defined benefit pension scheme		(215,000)	(269,000)
Pension surplus reserve/(not recognised)		80,000	190,000
Movement on deferred tax relating to pension surplus		23,000	15,800
<b>Total comprehensive income for the year</b>		1,581,114	1,569,234

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 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,198,042		1,237,771
<b>Current assets</b>					
Stocks	17	2,384,103		2,214,372	
Debtors	18	14,694,086		16,472,292	
Cash at bank and in hand		9,773,520		6,476,059	
		26,851,709		25,162,723	
<b>Creditors: amounts falling due within one year</b>	19	(18,045,982)		(17,475,692)	
<b>Net current assets</b>			8,805,727		7,687,031
<b>Total assets less current liabilities</b>			10,003,769		8,924,802
<b>Creditors: amounts falling due after more than one year</b>	20		(688,434)		(606,992)
<b>Provisions for liabilities</b>	22		(261,472)		(245,061)
<b>Net assets</b>			9,053,863		8,072,749
<b>Capital and reserves</b>					
Called up share capital	23	50,000		50,000	
Revaluation reserve		130,762		130,762	
Profit and loss reserves		8,873,101		7,891,987	
<b>Total equity</b>			9,053,863		8,072,749

The financial statements were approved by the board of directors and authorised for issue on 31 October 2018 and are signed on its behalf by:

John J Clarke  
Chairman

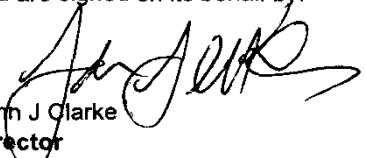
# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	14	1,023,986	1,068,868
Investments	15	784,617	784,617
		<u>1,808,603</u>	<u>1,853,485</u>
<b>Current assets</b>			
Stocks	17	2,124,974	2,063,058
Debtors	18	13,861,619	15,607,900
Cash at bank and in hand		9,137,385	5,878,667
		<u>25,123,978</u>	<u>23,549,625</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(17,521,793)</u>	<u>(17,043,912)</u>
<b>Net current assets</b>		<u>7,602,185</u>	<u>6,505,713</u>
<b>Total assets less current liabilities</b>		<u>9,410,788</u>	<u>8,359,198</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(688,434)	(606,992)
<b>Provisions for liabilities</b>	22	(253,055)	(236,545)
<b>Net assets</b>		<u>8,469,299</u>	<u>7,515,661</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		8,288,537	7,334,899
<b>Total equity</b>		<u>8,469,299</u>	<u>7,515,661</u>

The financial statements were approved by the board of directors and authorised for issue on 31 October 2018 and are signed on its behalf by:

  
John J Clarke  
Director

Company Registration No. 02343739

# JOHN TURNER CONSTRUCTION GROUP LTD

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2016</b>		50,000	130,762	6,822,753	7,003,515
<b>Year ended 31 March 2017:</b>					
Profit for the year		-	-	1,632,434	1,632,434
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(269,000)	(269,000)
Pension surplus not recognised		-	-	190,000	190,000
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,569,234	1,569,234
Dividends	12	-	-	(500,000)	(500,000)
<b>Balance at 31 March 2017</b>		50,000	130,762	7,891,987	8,072,749
<b>Year ended 31 March 2018:</b>					
Profit for the year		-	-	1,693,114	1,693,114
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(215,000)	(215,000)
Pension surplus reserve		-	-	80,000	80,000
Deferred tax on defined benefit pension scheme		-	-	23,000	23,000
Total comprehensive income for the year		-	-	1,581,114	1,581,114
Dividends	12	-	-	(600,000)	(600,000)
<b>Balance at 31 March 2018</b>		50,000	130,762	8,873,101	9,053,863

# JOHN TURNER CONSTRUCTION GROUP LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2016</b>		50,000	130,762	6,285,353	6,466,115
<b>Year ended 31 March 2017:</b>					
Profit for the year		-	-	1,612,746	1,612,746
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(269,000)	(269,000)
Pension surplus reserve		-	-	190,000	190,000
Deferred tax on defined benefit pension scheme		-	-	15,800	15,800
Total comprehensive income for the year		-	-	1,549,546	1,549,546
Dividends	12	-	-	(500,000)	(500,000)
<b>Balance at 31 March 2017</b>		50,000	130,762	7,334,899	7,515,661
<b>Year ended 31 March 2018:</b>					
Profit for the year		-	-	1,665,638	1,665,638
Other comprehensive income:					
Actuarial losses on defined benefit plans		-	-	(215,000)	(215,000)
Pension surplus reserve		-	-	80,000	80,000
Deferred tax on defined benefit pension scheme		-	-	23,000	23,000
Total comprehensive income for the year		-	-	1,553,638	1,553,638
Dividends	12	-	-	(600,000)	(600,000)
<b>Balance at 31 March 2018</b>		50,000	130,762	8,288,537	8,469,299



# JOHN TURNER CONSTRUCTION GROUP LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	4,395,312		1,502,626	
Interest paid		-		(1,288)	
Corporation tax paid		(351,237)		(444,975)	
<b>Net cash inflow from operating activities</b>		<b>4,044,075</b>		<b>1,056,363</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(250,257)		(261,137)	
Proceeds on disposal of tangible fixed assets		66,937		33,257	
Government grants received		-		39,334	
Interest received		36,706		34,426	
<b>Net cash used in investing activities</b>		<b>(146,614)</b>		<b>(154,120)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(600,000)		(500,000)	
<b>Net cash used in financing activities</b>		<b>(600,000)</b>		<b>(500,000)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>3,297,461</b>		<b>402,243</b>	
Cash and cash equivalents at beginning of year		6,476,059		6,073,816	
<b>Cash and cash equivalents at end of year</b>		<b>9,773,520</b>		<b>6,476,059</b>	

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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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, 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. The principal accounting policies adopted are set out below.

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

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

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,665,638 (2017 - £1,612,746 profit).

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

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

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

#### 1.3 Turnover

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

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

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

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

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

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

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

#### 1.5 Investments

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

#### 1.6 Stocks

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

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

Long term work in progress is valued at direct cost. Gross margins on long term contracts are taken when the outcome of a contract can be reasonably foreseen, as a proportion of the estimated profit on the contract which is appropriate to the work carried out in the period. A prudent view is taken of credit for claims made by the Group until agreed. Provision is made for anticipated losses on contracts and claims against the Group as soon as these are identified.

#### 1.7 Cash and cash equivalents

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

#### 1.9 Taxation

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

##### **Current tax**

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.10 Provisions for liabilities**

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

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

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

#### **1.11 Pensions**

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 5 April 2017. From 31 July 2004 the accrual of benefits for this defined benefit pension scheme ceased.

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

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

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies (Continued)

#### 1.12 Operating leases

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

#### 1.13 Government grants

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

#### 1.14 Dividends

Equity dividends are recognised when they become legally payable.

### 2 Judgements and key sources of estimation uncertainty

#### Provisions for loss making contracts

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

#### Development projects

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

### 3 Turnover and other revenue

#### Turnover

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

All turnover arose within the United Kingdom.

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	254,578	295,226
Profit on disposal of tangible fixed assets	(31,529)	(17,700)
	<u>223,049</u>	<u>277,526</u>

### 5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	27,520	26,230
Audit of the company's subsidiaries	6,710	6,560
	<u>34,230</u>	<u>32,790</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 6 Employees

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

	2018 Number	2017 Number
Construction and service	143	138
Administration and supervision	42	43
Management	72	71
	<u>257</u>	<u>252</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	8,664,206	8,692,667
Social security costs	631,545	858,545
Pension costs	467,006	438,300
	<u>9,762,757</u>	<u>9,989,512</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	385,831	334,341
Company pension contributions to defined contribution schemes	103,346	91,509
	<u>489,177</u>	<u>425,850</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017 - 3).

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

	2018 £	2017 £
Remuneration for qualifying services	141,749	129,535
Company pension contributions to defined contribution schemes	51,632	53,765

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 8 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	36,406	34,314
Other interest income	300	112
	<u>36,706</u>	<u>34,426</u>

### 9 Interest payable and similar expenses

	2018 £	2017 £
<b>Other finance costs:</b>		
Other interest	-	1,288
	<u>-</u>	<u>1,288</u>

### 10 Other finance costs

	2018 £	2017 £
<b>Fair value gains/(losses) on financial instruments</b>		
Expected return on pension scheme assets	60,000	73,000
Interest on pension scheme liabilities	(60,000)	(73,000)
	<u>-</u>	<u>-</u>

### 11 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	408,400	408,816
Adjustments in respect of prior periods	8,129	(23,446)
Total current tax	<u>416,529</u>	<u>385,370</u>
<b>Deferred tax</b>		
Deferred tax relating to defined benefit pension scheme	23,000	15,800
Origination and reversal of timing differences	(24,304)	(10,891)
Total deferred tax	<u>(1,304)</u>	<u>4,909</u>
Total tax charge	<u>415,225</u>	<u>390,279</u>



# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 11 Taxation

(Continued)

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

	2018 £	2017 £
Profit before taxation	2,108,339	2,022,713
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	400,584	404,543
Adjustments in respect of prior years	(8,129)	(1,378)
Other non-reversing timing differences	(31,436)	(6,595)
Differences between capital allowances and depreciation	31,206	(22,091)
Deferred tax relating to defined benefit pension scheme	23,000	15,800
Tax expense for the year	415,225	390,279

### 12 Dividends

	2018 £	2017 £
Equity dividends paid	600,000	500,000

### 13 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	455,170
<b>Amortisation and impairment</b>	
At 1 April 2017 and 31 March 2018	455,170
<b>Carrying amount</b>	
At 31 March 2018	-
At 31 March 2017	-
<b>Company</b>	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	167,452
<b>Amortisation and impairment</b>	
At 1 April 2017 and 31 March 2018	167,452

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 13 Intangible fixed assets

(Continued)

#### Carrying amount

At 31 March 2018

-

At 31 March 2017

-

### 14 Tangible fixed assets

Group	Freehold property £	Leasehold improvements £	Plant and Motor vehicles machinery £	£	Total £
<b>Cost</b>					
At 1 April 2017	550,000	129,599	1,419,153	971,675	3,070,427
Additions	-	-	13,441	236,816	250,257
Disposals	-	-	-	(207,228)	(207,228)
At 31 March 2018	550,000	129,599	1,432,594	1,001,263	3,113,456
<b>Depreciation and impairment</b>					
At 1 April 2017	38,445	102,505	1,058,863	632,843	1,832,656
Depreciation charged in the year	12,816	4,064	106,380	131,318	254,578
Eliminated in respect of disposals	-	-	-	(171,820)	(171,820)
At 31 March 2018	51,261	106,569	1,165,243	592,341	1,915,414
<b>Carrying amount</b>					
At 31 March 2018	498,739	23,030	267,351	408,922	1,198,042
At 31 March 2017	511,555	27,094	360,290	338,832	1,237,771

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 14 Tangible fixed assets

(Continued)

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2017	550,000	1,256,273	782,233	2,588,506
Additions	-	9,000	183,629	192,629
Disposals	-	-	(173,413)	(173,413)
At 31 March 2018	550,000	1,265,273	792,449	2,607,722
<b>Depreciation and impairment</b>				
At 1 April 2017	38,445	933,368	547,825	1,519,638
Depreciation charged in the year	12,816	100,389	100,956	214,161
Eliminated in respect of disposals	-	-	(150,063)	(150,063)
At 31 March 2018	51,261	1,033,757	498,718	1,583,736
<b>Carrying amount</b>				
At 31 March 2018	498,739	231,516	293,731	1,023,986
At 31 March 2017	511,555	322,905	234,408	1,068,868

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.

### 15 Fixed asset investments

	Notes	Company 2018 £	2017 £
Investments in subsidiaries	16	784,617	784,617
<b>Movements in fixed asset investments</b>			
<b>Company</b>			<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>			
At 1 April 2017 and 31 March 2018			784,617
<b>Carrying amount</b>			
At 31 March 2018			784,617
At 31 March 2017			784,617

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 16 Subsidiaries

The company owned 100% of the ordinary share capital of the following subsidiaries at 31 March 2018:

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

\* Held indirectly via Wright Build Holdings Limited.

The registered office of every subsidiary above is the same as that disclosed on the contents page for John Turner Construction Group Limited.

### 17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and WIP	122,698	85,267	37,846	29,985
Long term development project	1,008,336	1,007,711	1,008,336	1,007,711
Development property and land	1,078,792	1,025,362	1,078,792	1,025,362
Long term contract balances	174,277	96,032	-	-
	<u>2,384,103</u>	<u>2,214,372</u>	<u>2,124,974</u>	<u>2,063,058</u>

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Amounts falling due within one year:</b>				
Trade debtors	814,192	817,181	-	-
Amounts recoverable on long term contracts	8,738,958	10,504,891	8,756,304	10,484,135
Amounts due from fellow group undertakings	3,078,267	3,078,254	3,078,267	3,078,254
Other debtors	21,821	11,070	20,751	10,628
Prepayments and accrued income	811,216	551,259	776,665	525,246
	<u>13,464,454</u>	<u>14,962,655</u>	<u>12,631,987</u>	<u>14,098,263</u>
<b>Amounts falling due after one year:</b>				
Amounts recoverable on long term contracts	314,641	594,646	314,641	594,646
Prepayments and accrued income	914,991	914,991	914,991	914,991
	<u>1,229,632</u>	<u>1,509,637</u>	<u>1,229,632</u>	<u>1,509,637</u>
<b>Total debtors</b>	<u>14,694,086</u>	<u>16,472,292</u>	<u>13,861,619</u>	<u>15,607,900</u>

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

	Group 2018 £	2017 £	Company 2018 £	2017 £
Payments received on account	568,722	433,414	568,722	433,414
Trade creditors	8,264,278	11,583,120	7,836,435	11,281,776
Amounts due to group undertakings	-	-	200,976	177,918
Corporation tax payable	92,120	26,729	85,204	26,729
Other taxation and social security	2,276,662	2,157,391	2,085,604	1,928,296
Other creditors	217,109	544,624	178,561	502,649
Accruals and deferred income	6,627,091	2,730,414	6,566,291	2,693,130
	<u>18,045,982</u>	<u>17,475,692</u>	<u>17,521,793</u>	<u>17,043,912</u>

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

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	588,434	506,992	588,434	506,992
Amounts due to group undertakings	100,000	100,000	100,000	100,000
	<u>688,434</u>	<u>606,992</u>	<u>688,434</u>	<u>606,992</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 21 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
<b>Group</b>		
Accelerated capital allowances	49,000	65,035
Revaluations	26,152	32,681
Short term and other timing differences	(9,039)	(7,200)
	<u>66,113</u>	<u>90,516</u>
	Liabilities 2018 £	Liabilities 2017 £
<b>Company</b>		
Accelerated capital allowances	40,583	56,519
Revaluations	26,152	32,681
Short term and other timing differences	(9,039)	(7,200)
	<u>57,696</u>	<u>82,000</u>
	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Liability at 1 April 2017	90,516	82,000
Credit to profit or loss	(24,304)	(24,304)
Liability at 31 March 2018	<u>66,212</u>	<u>57,696</u>

### 22 Provisions for liabilities

		Group 2018 £	2017 £	Company 2018 £	2017 £
	Notes				
Other provisions		195,359	154,545	195,359	154,545
Deferred tax liabilities	21	66,113	90,516	57,696	82,000
		<u>261,472</u>	<u>245,061</u>	<u>253,055</u>	<u>236,545</u>

Movements on provisions apart from deferred tax liabilities:

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 22 Provisions for liabilities

(Continued)

		Other provisions £
<b>Group</b>		
At 1 April 2017		154,545
Net movement in provisions		40,814
At 31 March 2018		195,359
		Other provisions £
<b>Company</b>		
At 1 April 2017		154,545
Net movement in provisions		40,814
At 31 March 2018		195,359

### 23 Share capital

	Group and company	
	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 Ordinary shares of £1 each	50,000	50,000

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 24 Retirement benefit schemes

#### Defined benefit schemes

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

The last full actuarial valuation was carried out as at 5 April 2017 and concluded that, subject to the group continuing to make contributions in accordance with the actuary's recommendations set out below, the resources of the scheme are likely in the normal course of events to meet in full liabilities of the scheme as they fall due.

The actuary recommended contributions of £88,000 per annum from 5 April 2014, £79,000 per annum from 6 April 2015 to 5 April 2017 and £85,000 per annum from 6 April 2017 to 5 April 2020 in order to clear the scheme's funding deficit by 5 April 2020 as anticipated in the scheme Recovery Plan arising from this actuarial valuation. A special contribution of £50,000 was made on 5 April 2017, and a further contribution of £254,000 was made in January 2018.

Key assumptions	2018 %	2017 %
Discount rate	2.68	2.76
Rate of increase in pension payments	3.40	3.50
Rate of increase in deferred pensions	2.40	2.50
Inflation assumptions	3.20	3.30
	<u>          </u>	<u>          </u>
	2018	2017
	£	£
Amounts taken to other comprehensive income		
Actual return on scheme assets	(63,000)	(153,000)
Less: calculated interest element	60,000	73,000
	<u>          </u>	<u>          </u>
Return on scheme assets excluding interest income	(3,000)	(80,000)
Actuarial changes related to obligations	58,000	349,000
Movement in unrecognised plan surplus	87,000	7,000
	<u>          </u>	<u>          </u>
Total costs	142,000	276,000
	<u>          </u>	<u>          </u>



# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 24 Retirement benefit schemes

(Continued)

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

Group	2018 £	2017 £
Present value of defined benefit obligations	2,088,000	2,339,000
Fair value of plan assets	(2,175,000)	(2,346,000)
Deficit in scheme	(87,000)	(7,000)
Asset not recognised due to asset ceiling	87,000	7,000
Total liability recognised	-	-
Company	2018 £	2017 £
Present value of defined benefit obligations	2,088,000	2,339,000
Fair value of plan assets	(2,175,000)	(2,346,000)
Surplus in scheme	(87,000)	(7,000)
Asset not recognised due to asset ceiling	87,000	7,000
Total liability recognised	-	-
	Group 2018 £	Company 2018 £
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 April 2017	2,339,000	2,339,000
Benefits paid	(369,000)	(369,000)
Actuarial gains and losses	58,000	58,000
Interest cost	60,000	60,000
At 31 March 2018	2,088,000	2,088,000

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 24 Retirement benefit schemes

(Continued)

	Group 2018 £	Company 2018 £		
<i>Movements in the fair value of plan assets</i>				
Fair value of assets at 1 April 2017	2,346,000	2,346,000		
Interest income	60,000	60,000		
Return on plan assets (excluding amounts included in net interest)	3,000	3,000		
Benefits paid	(369,000)	(369,000)		
Contributions by the employer	135,000	135,000		
	<hr/>	<hr/>		
At 31 March 2018	2,175,000	2,175,000		
	<hr/>	<hr/>		
<i>Fair value of plan assets at the reporting period end</i>				
	Group 2018 £	2017 £	Company 2018 £	2017 £
Equity instruments	650,000	609,000	650,000	609,000
Debt instruments	33,000	29,000	33,000	29,000
Cash	132,000	350,000	132,000	350,000
With-Profits policy	1,360,000	1,358,000	1,360,000	1,358,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,175,000	2,346,000	2,175,000	2,346,000

### 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 2018 £	2017 £	Company 2018 £	2017 £
Within one year	98,874	101,138	90,057	92,420
Between two and five years	331,524	322,896	304,340	301,952
In over five years	369,830	436,973	352,083	417,083
	<u>800,228</u>	<u>861,007</u>	<u>746,480</u>	<u>811,455</u>

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 26 Related party transactions

During the year, the group carried out development work on behalf of Cottam Hall Properties Limited, a company in which John J Clarke has a controlling interest. At the balance sheet date, work in progress and accrued income relating to Cottam Hall Properties Limited was £1,078,792 (2017: £1,025,362) and £914,991 (2017: £914,991) respectively.

During the year, an amount of £65,000 (2017: £61,694) 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 £49,225 (2017: £79,855) 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 (2017: £nil).

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:

	2018 £	2017 £
John Turner Holdings Limited	3,078,254	3,078,254
John Turner Group Limited	(100,000)	(100,000)
	<u>          </u>	<u>          </u>

### 27 Controlling party

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

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

# JOHN TURNER CONSTRUCTION GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 28 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,693,114	1,632,434
Adjustments for:		
Taxation charged	415,225	390,279
Finance costs	-	1,288
Interest received	(36,706)	(34,426)
Gain on disposal of tangible fixed assets	(31,529)	(17,691)
Government grants	-	(39,334)
Depreciation of tangible fixed assets	254,578	295,226
Defined benefit pension scheme contribution paid	(135,000)	(79,000)
Increase/(decrease) in provisions	40,814	(23,671)
Movements in working capital:		
(Increase) in stocks	(169,731)	(126,764)
Decrease/(increase) in debtors	1,778,206	(3,817,113)
Increase in creditors	586,341	3,321,398
<b>Cash generated from operations</b>	<b>4,395,312</b>	<b>1,502,626</b>