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TURNER

Annual Report & Accounts 2001

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COMPANIES HOUSE 14/12/01

Notice of Meeting

Notice is hereby given that the Fifty First General Meeting of Turner & Co. (Glasgow) Limited will be held at 65 Craigton Road, Glasgow on 5th December, 2001 at 12 noon for the following purposes:

- To receive the Directors' Report and Group Accounts.
- To re-elect the Directors.
- To re-appoint the Auditors.
- To authorise the Directors to fix the remuneration of the Auditors.
- To declare the final dividend for 2001.
- To transact any other ordinary business of the company.

By order of the board,

W. S. Sharp
Secretary

26th October, 2001

A member of the company entitled to attend and vote is entitled to appoint a proxy, who need not be a member of the company, to attend and vote in his stead.

Proxy forms must be deposited at the Registered Office of the company not less than forty-eight hours before the time appointed for the meeting.

Report of the Directors

The directors present their report and group accounts of Turner & Co. (Glasgow) Limited for the 52 weeks ended 30th March, 2001.

Results and Dividends

The group profit for the period attributable to the members of the parent company amounted to £8,824,000.

The directors recommend a final ordinary dividend of 21 pence per share, amounting to £173,000 making a total dividend of 41 pence and £337,000 for the period, which leaves a profit of £8,487,000 to be retained.

Review of the business and principal activities

The Chairman's statement on page 4 includes a review of the business.

The principal activities of the group during the period were as follows:

- Distribution, hire, service and operation of diesel equipment and facilities management.
- Service of aviation equipment.
- Manufacture, hire, sale and erection of access equipment.
- Hire of private and commercial vehicles.

Market value of land and buildings

The directors are of the opinion that there is no material difference between the market value and the book value of land and buildings which would be of significance to members.

Future developments

It is the intention of the group to develop its existing interests while seeking to exploit new opportunities as they arise.

Disabled persons

Disabled persons are employed when suited to a particular vacancy and the group's training programmes are available to them.

Employee involvement

Each group company consults its employees on matters of concern to them and employees are encouraged to participate in their company's affairs.

Report of the Directors

Directors and their interests

The Directors of the company at 30th March 2001 and their interests in the ordinary shares of the company were as follows:

	2001	2000
A. G. Turner	4,600	4,600
J. D. Russell	26,232	26,232
A. Gordon Turner	382,270	381,937
J. G. Hamilton	400	400
Alan G. Turner	381,770	381,437
W. S. Sharp	1,000	1,000

Alan G. Turner and W.S. Sharp retire by rotation and, being eligible, offer themselves for re-election.

Statement of directors'

responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the affairs of the company and of the profit and loss of the Group for that period. In preparing those accounts the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are

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

Auditors

On 28th June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001. Ernst & Young LLP have expressed their willingness to continue in office and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

On behalf of the board

W.S. Sharp
Secretary

26th October 2001

Chairman's Statement

Profit before tax for the year was £12.7 million.

The Access division maintained the improved profitability of the last few years with excellent sales of aluminium towers and with high export sales of PlusEight system scaffold, although demand across most sectors weakened in the second half of the year.

The Aviation results were adversely affected by a major customer changing policy and taking work in-house.

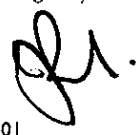
The results of the Diesel and Facilities Management division were mixed. Mitchell Diesel earned profits similar to recent levels with good service activity, especially in the rail market. Conversely, Turner Diesel's locomotive business suffered from the irregular pattern of demand

from its larger overseas customers. Tilsley & Lovatt incurred a substantial loss on an engine packaging contract. The facilities management business continued to earn satisfactory profits from its defence contracts and its private sector business moved into profit. T.G. Power traded close to expectation.

Turner Hire Drive produced excellent profits - a record result based on growth in the fleet and control of operating costs.

The Group would like to thank all its employees for their efforts during the year.

J.D. Russell
Chairman



26th October 2001

Report of the Auditors to the Members of Turner & Co. (Glasgow) Limited

We have audited the accounts on pages 6 to 23 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom Law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

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

company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 30th March 2001 and of the profit of the group for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
GLASGOW

26th October 2001

Consolidated profit and loss account for the 52 weeks ended 30th March 2001

	Notes	2001 £'000	Restated 2000 £'000
Turnover	2	164,559	149,445
Cost of Sales		122,132	108,684
Gross profit		42,427	40,761
Distribution costs and administrative expenses		31,062	28,557
Operating profit	3	11,365	12,204
Interest	6	1,338	1,365
Profit on ordinary activities before taxation		12,703	13,569
Tax on profit on ordinary activities	7	3,893	4,027
Profit on ordinary activities after taxation		8,810	9,542
Minority interest		14	22
Profit attributable to the members of the parent company	8	8,824	9,564
Dividends	9	337	320
Retained profit	19	8,487	9,244
Earnings per share	9	£10.74	£11.64

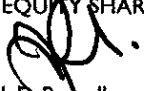
Statement of total recognised gains and losses

Total recognised gains and losses relating to the period			
Profit attributable to the members of the parent company	19	8,824	9,564
Prior year adjustment	19	(880)	
Total gains and losses recognised since last annual report		7,944	

The notes on pages 10 to 23 form part of these accounts.

Group balance sheet as at 30th March, 2001

	Notes	2001 £'000	Restated 2000 £'000
Fixed Assets			
Tangible assets	10	31,048	26,234
Investments	11	325	325
Current Assets			
Stocks	12	18,107	14,059
Debtors	13	29,579	27,096
Cash at bank and in hand	14	27,123	27,710
		<u>74,809</u>	<u>68,865</u>
Creditors			
Amounts falling due within one year	15	<u>29,835</u>	<u>27,905</u>
Net Current Assets		44,974	40,960
Total Assets less Current Liabilities		76,347	67,519
Provision for Liabilities and Charges			
Deferred taxation	17	1,548	1,260
Minority interest - equity		259	206
NET ASSETS		<u>74,540</u>	<u>66,053</u>
Capital and Reserves			
Called up share capital	18	205	205
Share premium	19	22	22
Profit and loss account	19	74,313	65,826
EQUITY SHAREHOLDERS FUNDS		<u>74,540</u>	<u>66,053</u>

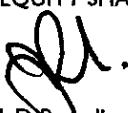

J. D. Russell
Director

26th October, 2001

The notes on pages 10 to 23 form part of these accounts

Balance sheet as at 30th March, 2001

	Notes	£'000	2001 £'000	2000 £'000
Fixed Assets				
Tangible assets	10		2,938	3,035
Investments	11		4,058	2,593
			<u>6,996</u>	<u>5,628</u>
Current Assets				
Debtors	13	32,732		23,923
Cash at bank and in hand		<u>7,133</u>		<u>10,438</u>
			<u>39,865</u>	<u>34,361</u>
Creditors				
Amounts falling due within one year	15	<u>39,653</u>		<u>33,974</u>
Net Current Assets			<u>212</u>	<u>387</u>
Total Assets less Current Liabilities			<u>7,208</u>	<u>6,015</u>
Provision for Liabilities and Charges				
Deferred taxation	17		<u>167</u>	<u>152</u>
NET ASSETS			<u>7,041</u>	<u>5,863</u>
Capital and Reserves				
Called up share capital	18		205	205
Share premium	19		22	22
Profit and loss account	19		<u>6,814</u>	<u>5,636</u>
EQUITY SHAREHOLDERS FUNDS			<u>7,041</u>	<u>5,863</u>


J. D. Russell
Director

26th October, 2001

The notes on pages 10 to 23 form part of these accounts

**Group statement of cash flows
for the 52 weeks ended 30th March, 2001**

	Notes	2001 £'000	Restated 2000 £'000
Net cash inflow from operating activities	3(b)	13,643	13,068
Returns on investments and servicing of finance			
Interest received		1,352	1,389
Interest paid		(14)	(24)
		1,338	1,365
Taxation			
Corporation tax paid		(4,707)	(5,370)
Capital expenditure and financial investment			
Payment to acquire fixed assets		(13,527)	(14,501)
Receipts from sale of fixed assets		2,603	2,324
Payment to acquire investment		-	(325)
		(10,924)	(12,502)
Acquisitions and disposals			
Purchase of subsidiary undertakings		(112)	-
Net cash acquired with subsidiary undertakings		528	-
Disposal of shares in subsidiary undertaking		-	228
		416	228
Equity dividends paid		(353)	(304)
Cash outflow before use of liquid resources and financing		(587)	(3,515)
Management of liquid resources			
Decrease of cash on fixed term deposit		2,973	2,817
Increase/(decrease) in cash in the period	14	2,386	(698)

The notes on pages 10 to 23 form part of these accounts.

Notes to the Accounts at 30th March, 2001

1 - Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Turner & Co. (Glasgow) Limited and all its subsidiary undertakings drawn up to 30th March, 2001. No profit and loss account is presented for Turner & Co. (Glasgow) Limited as provided by s.230 of the Companies Act 1985.

Undertakings, other than subsidiary undertakings, in which the group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings. The group accounts include the appropriate share of these undertakings' results and reserves where material.

Goodwill

Goodwill arising on acquisitions made after 27th March 1998 is capitalised and amortised over its expected useful life. Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill arising on acquisitions prior to 27th March 1998 was written off to reserves in the year in which it arose.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated

to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold buildings

- over 50 years

Leasehold land and buildings

- over the lease term on a straight line basis

Plant, machinery, fixtures and fittings

- 15% on a reducing balance basis

Motor vehicles

- between 20% and 25% on a straight line basis

Computer equipment

- 33.33% on a straight line basis

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Costs incurred in bringing each product to its present location and condition:

Raw materials and goods for resale

- purchase cost on a first in, first out basis.

Work in progress and finished goods

- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

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

Notes to the Accounts at 30th March, 2001

1 - Accounting policies (continued)

Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences, to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are charged to the profit and loss account.

Leasing commitments

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

Pensions

The Group operates a pension scheme which provides benefits on retirement, or on death in service, based on final pensionable pay. The assets of the scheme are held separately from those of the Group, being invested through external investment managers. The cost of those benefits is charged against profit as the service arises. Past service costs and variations are amortised against the profit over the expected remaining period of service.

Notes to the Accounts at 30th March, 2001

2 - Turnover and profit before taxation

Turnover represents the invoiced amount of goods sold and services provided, which fall within the company's ordinary activities, all of which are continuing, stated net of value added tax.

Turnover and profit on ordinary activities before taxation were contributed as follows:

	£'000	2001 %	£'000	2000 %
Turnover				
Area of activity				
Diesel and facilities management	139,267	84	126,871	85
Aviation	7,414	5	7,645	5
Construction Access	9,512	6	7,227	5
Hire Drive	8,366	5	7,702	5
	<u>164,559</u>	<u>100</u>	<u>149,445</u>	<u>100</u>
Geographical area				
Within United Kingdom	154,457	94	133,312	89
Outwith United Kingdom	10,102	6	16,133	11
	<u>164,559</u>	<u>100</u>	<u>149,445</u>	<u>100</u>
Profit on ordinary activities before taxation				
Area of activity				
Diesel and facilities management	8,732	72	10,761	82
Aviation	552	5	727	5
Construction Access	937	8	914	7
Hire Drive	1,834	15	774	6
	<u>12,055</u>	<u>100</u>	<u>13,176</u>	<u>100</u>
Parent company administrative expenses & interest	648		371	
	<u>12,703</u>		<u>13,547</u>	
Gain on sale of investment	-		22	
	<u>12,703</u>		<u>13,569</u>	
Net assets				
Area of activity				
Diesel and facilities management	51,622	69	46,944	71
Aviation	5,437	7	5,057	8
Construction Access	2,695	4	1,903	3
Hire Drive	7,428	10	6,199	10
Others	7,358	10	5,950	8
	<u>74,540</u>	<u>100</u>	<u>66,053</u>	<u>100</u>

Notes to the accounts at 30th March, 2001

3 - Operating profit

	2001 £'000	2000 £'000
(a) This is stated after charging (crediting):		
Depreciation and amortisation	6,929	6,065
Gain on disposal of fixed assets	(577)	(534)
Auditors' remuneration	122	123
- audit services	53	55
- other services	16	64
Operating lease rentals	937	601
- plant		
- land and buildings		
(b) Net cash inflow from operating activities:		
Operating profit	11,365	12,204
Depreciation and amortisation	6,929	6,065
Gain on disposal of fixed assets	(577)	(534)
Movement in stocks	(3,517)	(1,917)
Movement in debtors	(2,205)	(3,680)
Movement in creditors	1,648	930
	13,643	13,068

4 - Directors' remuneration

	2001 £'000	2000 £'000
Emoluments	993	903
Members of defined benefit pension scheme		
	2001 No.	2000 No.
	4	4
The emoluments paid in respect of the highest paid director are as follows:		
	2001 £'000	2001 £'000
Emoluments	215	192
Accrued pension benefit	35	27

Notes to the accounts at 30th March, 2001

5 - Staff Costs

	2001 £'000	2000 £'000
Wages and salaries	37,234	35,672
Social security costs	2,911	2,785
Other pension costs	1,935	1,858
	42,080	40,315
The average weekly number of employees during the period was made up as follows:		
	2001 No.	2000 No.
Office and management	822	789
Operational	1,302	1,216
	2,124	2,005

6 - Interest

	2001 £'000	2000 £'000
Interest payable - bank loans and overdrafts	(14)	(24)
Interest received	1,352	1,389
	1,338	1,365

7 - Tax on profit on ordinary activities

	2001 £'000	Restated 2000 £'000
Based on the profit for the period:		
Corporation tax at 30% (2000 - 30%)	3,639	4,351
Deferred taxation	273	(362)
	3,912	3,989
Taxation (over)/under provided in previous years:		
Corporation tax	(25)	(2)
Deferred taxation	6	40
	3,893	4,027

Notes to the accounts at 30th March, 2001

8 - Profit attributable to members of the parent company

	2001 £'000	2000 £'000
Dealt with in the accounts of the parent company	1,548	1,632
Retained by subsidiary undertakings	7,276	7,932
	8,824	9,564

9 - Dividends

	2001 £'000	2000 £'000
Interim	20p 164	16p 131
Final	21p 173	23p 189
	41p 337	39p 320

The calculation of earnings per share is based on earnings of £8,824,000 (2000 - £9,564,000) and on issued ordinary shares of 821,622 (2000 - 821,622).

10 - Tangible fixed assets

Group	Land and buildings £'000	Plant, machinery, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost:				
At 31st March, 2000 - restated	5,076	17,162	20,895	43,133
Acquisitions	-	204	157	361
Additions	489	5,295	7,743	13,527
Disposals	(53)	(1,209)	(5,559)	(6,821)
At 30th March, 2001	5,512	21,452	23,236	50,200
Depreciation:				
At 31st March, 2000 - restated	1,175	7,217	8,507	16,899
Acquisitions	-	131	131	262
Provided during the period	124	2,389	4,273	6,786
Disposals	(24)	(821)	(3,950)	(4,795)
At 30th March, 2001	1,275	8,916	8,961	19,152
Net book value at 30th March, 2001	4,237	12,536	14,275	31,048
Net book value at 31st March, 2000	3,901	9,945	12,388	26,234

Notes to the accounts at 30th March, 2001

10 - Tangible fixed assets (continued)

Company	Land and buildings £'000	Plant, machinery, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost:				
At 31st March, 2000	3,591	998	79	4,668
Additions	-	227	5	232
Disposals	(53)	(7)	(9)	(69)
At 30th March, 2001	3,538	1,218	75	4,831
Depreciation:				
At 31st March, 2000	905	697	31	1,633
Provided during the period	81	200	19	300
Disposals	(24)	(7)	(9)	(40)
At 30th March, 2001	962	890	41	1,893
Net book value at 30th March, 2001	2,576	328	34	2,938
Net book value at 31st March, 2000	2,686	301	48	3,035

The net book value of land and buildings comprises:

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Freehold	4,237	3,844	2,576	2,629
Short leasehold	-	57	-	57
	4,237	3,901	2,576	2,686

11 - Investments

	2001 £'000	2000 £'000
Group		
Unlisted investment	325	325

Notes to the accounts at 30th March, 2001

11 - Investments (continued)

Company	Subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost:			
At 31st March 2000	3,180	325	3,505
Additions	836	-	836
At 30th March 2001	4,016	325	4,341
Amounts provided:			
At 31st March 2000	912	-	912
Release of provision	(629)	-	(629)
At 30th March 2001	283	-	283
Net book value at 30th March 2001	3,733	325	4,058
Net book value at 31st March 2000	2,268	325	2,593

The company owns either directly or indirectly the following ordinary shareholdings:

Name of company	Country of Registration	Proportion	Nature of Business
Subsidiary undertakings			
Turner Diesel Limited	Scotland	100%	Diesel engineering
Mitchell Diesel Limited	England	100%	Diesel engineering
Turner Hire Drive Limited	Scotland	100%	Car and van hire
Turner Access Limited	Scotland	100%	Construction access
Tradesman Access Limited	Scotland	100%	Construction access
Turner Plus Eight Limited	Scotland	100%	Construction access
PlusEight System AB	Sweden	51%	Construction access
Turner Aviation Limited	Scotland	100%	Aviation engineering
Wilson & Wylie Engineers Limited*	England	100%	Precision engineering
Tilsley & Lovatt Limited	England	100%	Diesel engineering
Power Electrics Limited	England	86.5%	Generator Hire
Turner Facilities Management Limited	Scotland	100%	Facilities management
Turner Morland Limited	Scotland	100%	Safety consultants
Team Building Utilities Limited	England	100%	Building services maintenance
Team Q Maintenance Limited	England	100%	Building services maintenance
Aurora Systems (Cheshunt) Limited	England	100%	Building services maintenance
Terotechnology Engineered Advanced Maintenance Limited	England	100%	Building services maintenance
Flametec Limited	England	100%	Equipment flame protection
Francome Fabrications Limited	England	100%	Equipment flame protection
Turner Diesel Contracts Limited*	England	100%	Diesel engineering
T.G.Power Limited *	Scotland	100%	Power generation
Risborough Turfcare Supplies Limited	England	100%	Groundscare
Turner Equipment Co. Limited	Scotland	100%	Dormant
Turner Training Limited	Scotland	100%	Dormant
Wheatley and Whitely Limited	England	100%	Dormant
Wilson & Wylie (Scotland) Limited	Scotland	100%	Dormant
Turner Groundscare Limited	Scotland	100%	Dormant
TRS Locomotive Support Services Limited	Scotland	100%	Dormant
West Coast Diesel Limited	Scotland	100%	Dormant
Turner Engineering Supply Limited	Falkland Islands	100%	Dormant

* Held by a subsidiary undertaking.

Notes to the accounts at 30th March, 2001

11 - Investments (continued)

(a) Current year's acquisitions:			
	Cost £'000	Fair value adjustment £'000	Group £'000
Net assets of Risborough Turfcare Supplies Limited acquired at fair value			
Tangible assets	103	(4)	99
Working capital			
Stock	531	-	531
Debtors	299	(21)	278
Creditors	(519)	(14)	(533)
Cash and short term deposits	392	-	392
	806	(39)	767
Goodwill arising on acquisition			110
Acquisition cost			877
The acquisition was funded by the issue of loan notes and part payment in cash as follows:			
Issue of loan notes (note 15)			867
Cash payment			10
Purchase of share capital			877
Goodwill has been written off over its estimated useful economic life of one year. The contribution of the acquired business to the profit for the period is not material.			
(b) Cash outflow on acquisition:			
Cash payment			10

12 - Stocks

	Group	
	2001 £'000	2000 £'000
Raw materials	2,405	2,344
Work in progress	4,879	4,585
Finished goods	10,823	7,130
	18,107	14,059

Notes to the accounts at 30th March, 2001

13 - Debtors

	Group		Company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Trade debtors	26,671	23,832	2	22
Amounts owed by subsidiary undertakings	-	-	31,200	22,719
Other debtors	858	1,567	28	-
Prepayments and accrued income	2,050	1,697	-	4
Current corporation tax	-	-	1,502	1,178
	29,579	27,096	32,732	23,923

14 - Net Funds

Analysis of balances as shown in the group balance sheet and changes during the current and previous period.

	2001 £'000	2000 £'000	Change £'000
Cash at bank and in hand	14,226	11,840	2,386
Cash on fixed term deposits	12,897	15,870	(2,973)
Net funds	27,123	27,710	(587)

	2000 £'000	1999 £'000	Change £'000
Cash at bank and in hand	11,840	12,538	(698)
Cash on fixed term deposits	15,870	18,687	(2,817)
Net funds	27,710	31,225	(3,515)

Notes to the accounts at 30th March, 2001

15 - Creditors: amounts falling due within one year

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Amounts due to subsidiary undertakings	-	-	36,263	31,475
Trade creditors	13,483	11,147	190	62
Current corporation tax	1,767	2,869	-	-
Other taxes and social security costs	2,524	2,738	909	936
Other creditors	950	2,459	-	-
Accruals	10,071	8,503	1,251	1,312
Proposed dividend	173	189	173	189
Loan notes	867	-	867	-
	29,835	27,905	39,653	33,974

The loan notes relate to the acquisition in the period of Risborough Turfcare Supplies Limited and are unsecured. They are guaranteed and attract a rate of interest fixed at 5%, payable in arrears on 1st July and 1st January each year prior to redemption. They are repayable on or after 30th April 2002.

16 - Obligations under leases

Annual commitments under non-cancellable operating leases are as follows :

	Land & Buildings		Other	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Group				
Operating leases which expire :				
within one year	62	55	29	72
between two and five years	270	232	-	-
over five years	382	341	-	-
	714	628	29	72
Company				
Operating leases which expire :				
within one year	-	-	8	8
between two and five years	-	-	50	51
over five years	190	190	-	-
	190	190	58	59

Notes to the accounts at 30th March, 2001

17 - Deferred Taxation

Deferred taxation provided in the accounts, at the rates expected to be in force on crystallisation, and the potential amounts, including the amounts for which provision has been made, are as follows:

	Provision		Potential	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Group				
Accelerated capital allowances	1,589	1,286	1,190	1,217
Other timing differences	(41)	(26)	(177)	(288)
	1,548	1,260	1,013	929
			Provision & Potential	
			2001 £'000	2000 £'000
Company				
Accelerated capital allowances			167	155
Other timing differences			-	(3)
			167	152

18 - Share capital

	Authorised		Allotted, called up and full paid	
	2001 No.	2000 No.	2001 £'000	2000 £'000
Ordinary shares of 25p each	821,622	821,622	205	205

Notes to the accounts at 30th March, 2001

19 - Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Group				
At 26th March 1999 - as previously reported	205	22	57,618	57,845
Prior year adjustment	-	-	(1,036)	(1,036)
At 26th March 1999 - as amended	205	22	56,582	56,809
Profit for the financial period - restated	-	-	9,564	9,564
Dividends	-	-	(320)	(320)
At 31st March 2000	205	22	65,826	66,053
Profit for the financial period	-	-	8,824	8,824
Dividends	-	-	(337)	(337)
At 30th March 2001	205	22	74,313	74,540
Company				
At 26th March 1999	205	22	4,324	4,551
Profit for the financial period	-	-	1,632	1,632
Dividends	-	-	(320)	(320)
At 31st March 2000	205	22	5,636	5,863
Profit for the financial period	-	-	1,515	1,515
Dividends	-	-	(337)	(337)
At 30th March 2001	205	22	6,814	7,041

The prior year adjustment relates to an amendment to the group's accounting policy for accounting for vehicle rebates. Previously it had credited the entire amount to cost of sales in the accounting period in which the rebate was earned. The group's policy is now to deduct rebates received from the cost of the related fixed assets, spreading their recognition over the period of the life of the assets by the way of a reduced depreciation charge.

This has the effect of increasing cost of sales by £221,000, reducing the deferred tax charge by £377,000, reducing the tangible fixed assets by £1,257,000 and reducing the deferred tax provision by £377,000 in the period ended 31st March 2000.

Notes to the accounts at 30th March, 2001

20 - Capital commitments

There were no amounts contracted for but not provided nor amounts authorised by directors but not contracted for in respect of the group or company at 30th March 2001 and 31st March 2000.

21 - Contingent liabilities

In conjunction with other group companies, Turner & Co. (Glasgow) Limited has given an unlimited guarantee in respect of overdraft facilities for itself and certain group companies. At 30th March 2001 the company's contingent liability amounted to **£Nil** (2000 - **£Nil**).

At the balance sheet date the group had counter indemnified its bankers for performance bonds granted to third parties for **£2,615,000** (2000 - **£1,283,000**) in respect of overseas contracts and a deferment bond to HM Customs and Excise for **£440,000** (2000 - **£240,100**) in respect of Value Added Tax.

22 - Pension commitments

The Group operates a pension scheme which provides benefits on retirement, or on death in service, based on final pensionable pay.

Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 6th April 2000 which showed that the valuation of scheme assets was **£32,444,000** and that this represented 119% of accrued liabilities. The principal assumptions used were that investment returns would be 6.5% per annum and that salary increases would average 5%.

Contributions during the period amounted to **£1,935,000** (2000 - **£1,858,000**).

23 - Minority interest

The equity minority interest represents a holding of 13.5% of the "B" Ordinary shares in Power Electrics Limited and 49% of the Ordinary shares in PlusEight System AB. The holders of those shares have no rights against any other group company.

Notes