

TURNER TCO (GLASGOW) LIMITED

SC 07/100

TURNER

Annual Report & Accounts 2003



SCT SPQ9DR3N 0091
COMPANIES HOUSE 22/12/03

Notice of Meeting

Notice is hereby given that the Fifty Third Annual General Meeting of Turner & Co. (Glasgow) Limited will be held at 65 Craigton Road, Glasgow on 19th December 2003 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 2003.
- To transact any other ordinary business of the company.

By order of the board,

W. S. Sharp
Secretary

14th November, 2003

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 28th March, 2003.

Results and dividends

The group profit for the period attributable to the members of the parent company amounted to £8,005,000.

The directors recommend a final ordinary dividend of 21 pence per share, amounting to £173,000 making a total dividend of 43 pence and £354,000 for the period, which leaves a profit of £7,651,000 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 during the period ended 28th March 2003 and their interests in the ordinary shares of the company were as follows:

	2003	2002
J. D. Russell	400	26,232
A. Gordon Turner	415,869	387,137
Alan G. Turner	415,369	386,637
W. S. Sharp	1,000	1,000

A. G. Turner resigned as a director on 4th December 2002. J. G. Hamilton resigned as a director on 31st July 2002.

A. Gordon 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.

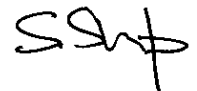
Auditors

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

14th November 2003



Chairman's Statement

Profit for the year before taxation was £11.7 Million.

The Access division continued to face the consequence of difficult market conditions in its manufacture and contracting sectors. System AB made a meaningful contribution whilst our newest product line Safespan is now in use and will start contributing in future. Efforts to generate greater opportunities over the entire activity remain our prime focus.

The Aviation division result is less than satisfactory but disguises very significant efforts made in the latter part of the year to find efficiency improvements and reduced unit turn round time. Investment made earlier in upgrading our electrical unit testing facility has proven essential in ensuring we maintain our market position, and create the right capability support going forward.

The Diesel and Facilities management businesses performed well. Turner Diesel successfully completed the delivery phase of a contract for the complete refurbishment of twenty locomotives to Croatian Railways. Mitchell Diesel performed in line with expectations, its future emphasis focused towards growing its aftermarket business opportunities. Power Electrics returned a

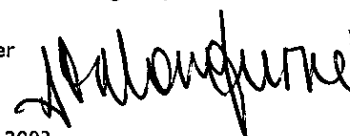
sound profit and expanded its operation with the addition of a new depot in the London area. FM and GCMS performed well. The AMEC Turner Joint Venture is established and working well. Pressure continues to bear on margins in an increasingly competitive environment. The need to win new, as well as renew existing contracts, remains the key objective.

Turner Hire Drive continued to produce very acceptable results, lifted by the contribution from Stamford Van and Car Hire, acquired in June last year. The vehicle rental market remains highly competitive.

Pension issues have featured heavily in the last year and like many others we have not escaped the various factors affecting the value of the Group's scheme. During the course of the year the company closed its final salary scheme to new entrants and increased its contributions in line with future funding requirements.

The Group wish to thank all employees for their continued efforts during the year.

A. Gordon Turner
Chairman



14th November 2003

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

We have audited the group's accounts for the period ended 28th March 2003 which comprise the Consolidated Profit and Loss Account, Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 23. These accounts have been prepared on the basis of the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the group is not disclosed. We read other information contained in the

Annual Report and consider whether it is consistent with the audited financial accounts. This other information comprises the Directors' Report and Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 group'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 misstatement, 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 as at 28th March 2003 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

14th November, 2003

Consolidated profit and loss account for the 52 weeks ended 28th March, 2003

	Notes	2003 £'000	2002 £'000
Turnover	2	223,550	175,982
Cost of Sales		176,123	132,561
Gross profit		47,427	43,421
Distribution costs and administrative expenses		36,517	33,207
Operating profit	3	10,910	10,214
Interest	6	762	932
<i>Profit on ordinary activities before taxation</i>		11,672	11,146
Tax on profit on ordinary activities	7	3,652	3,121
Profit on ordinary activities after taxation		8,020	8,025
Minority interest		(15)	13
Profit attributable to the members of the parent company	8	8,005	8,038
Dividends	9	354	337
Retained profit	19	7,651	7,701
Earnings per share	9	£9.74	£9.78

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit attributable to the members of the parent company as stated above.

The notes on pages 10 to 27 form part of these accounts.

Group balance sheet as at 28th March, 2003

	Notes	£'000	2003 £'000	2002 £'000
Fixed Assets	10		36,765	32,578
Tangible assets	11		325	325
Investments				
Current Assets	12	16,671		19,704
Stocks	13	37,861		35,770
Debtors	14	35,892		27,361
Cash at bank and in hand		90,424		82,835
Creditors	15	35,925		32,030
Amounts falling due within one year			54,499	50,805
Net Current Assets			91,589	83,708
Total Assets less Current Liabilities				
Provision for Liabilities and Charges	17		1,430	1,222
Deferred taxation	23		267	245
Minority interest - equity			89,892	82,241
NET ASSETS				
Capital and Reserves	18		205	205
Called up share capital	19		22	22
Share premium	19		89,665	82,014
Profit and loss account			89,892	82,241
EQUITY SHAREHOLDERS FUNDS				

A. Gordon Turner
Director

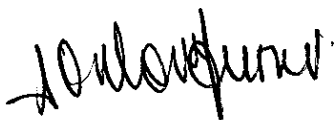
14th November, 2003

The notes on pages 10 to 27 form part of these accounts.

Balance sheet as at 28th March, 2003

	Notes	£'000	2003 £'000	2002 £'000
Fixed Assets				
Tangible assets	10		4,374	3,146
Investments	11		9,108	4,110
			<u>13,482</u>	<u>7,256</u>
Current Assets				
Debtors	13	25,441		27,534
Cash at bank and in hand		<u>6,470</u>		<u>12,855</u>
		31,911		40,389
Creditors				
Amounts falling due within one year	15	<u>31,544</u>		<u>39,498</u>
Net Current Assets			367	891
Total Assets less Current Liabilities			<u>13,849</u>	<u>8,147</u>
Provision for Liabilities and Charges				
Deferred taxation	17		141	140
NET ASSETS			<u>13,708</u>	<u>8,007</u>
Capital and Reserves				
Called up share capital	18		205	205
Share premium	19		22	22
Profit and loss account	19		13,481	7,780
EQUITY SHAREHOLDERS FUNDS			<u>13,708</u>	<u>8,007</u>

A. Gordon Turner
Director



14th November, 2003

The notes on pages 10 to 27 form part of these accounts.

Group statement of cash flows for the 52 weeks ended 28th March, 2003

	Notes	2003 £'000	2002 £'000
Net cash inflow from operating activities	3(b)	23,809	10,770
Returns on investments and servicing of finance			
Interest received	836		965
Interest paid	(74)		(33)
		762	932
Taxation			
Corporation tax paid		(4,076)	(3,676)
Capital expenditure and financial investment			
Payment to acquire fixed assets	(10,518)		(10,203)
Receipts from sale of fixed assets	3,864		2,752
		(6,654)	(7,451)
Acquisitions and disposals	11		
Purchase of subsidiary undertaking	(5,338)		-
Net cash acquired with subsidiary undertakings	382		-
		(4,956)	-
Equity dividends paid		(354)	(337)
Cash inflow before use of liquid resources and financing	14	8,531	238
Management of liquid resources			
Increase of cash on fixed term deposit	14	(6,318)	(7,394)
Increase/(decrease) in cash in the period		2,213	(7,156)

The notes on pages 10 to 27 form part of these accounts.

Notes to the accounts at 28th March, 2003

I - 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 28th March, 2003. 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, where material, 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 28th March, 2003

I - Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

The Group also operates a defined contribution scheme. Contributions to this scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the accounts at 28th March, 2003

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:

	2003		2002	
	£'000	%	£'000	%
Turnover				
Area of activity				
Diesel and facilities management	193,010	86	151,738	86
Aviation	7,627	4	7,753	5
Construction Access	9,485	4	6,840	4
Hire Drive	13,428	6	9,651	5
	<u>223,550</u>	<u>100</u>	<u>175,982</u>	<u>100</u>
Geographical area				
Within United Kingdom	194,120	87	162,926	93
Outwith United Kingdom	29,430	13	13,056	7
	<u>223,550</u>	<u>100</u>	<u>175,982</u>	<u>100</u>
Profit on ordinary activities before taxation				
Area of activity				
Diesel and facilities management	9,728	79	8,802	81
Aviation	284	2	525	5
Construction Access	(354)	(3)	(224)	(2)
Hire Drive	2,639	22	1,781	16
	<u>12,297</u>	<u>100</u>	<u>10,884</u>	<u>100</u>
Parent company administrative expenses & interest	(625)		262	
	<u>11,672</u>		<u>11,146</u>	
Net assets				
Area of activity				
Diesel and facilities management	52,963	59	56,721	69
Aviation	6,000	7	5,812	7
Construction Access	2,281	2	2,521	3
Hire Drive	14,083	16	8,567	10
Others	14,565	16	8,620	11
	<u>89,892</u>	<u>100</u>	<u>82,241</u>	<u>100</u>

Notes to the accounts at 28th March, 2003

3 - Operating profit

	2003 £'000	2002 £'000
(a) This is stated after charging (crediting):		
Depreciation and amortisation	8,242	6,402
Gain on disposal of fixed assets	(603)	(481)
Auditors' remuneration	134	124
- audit services	56	56
- other services	3	3
Operating lease rentals	1,083	954
- plant		
- land and buildings		
(b) Net cash inflow from operating activities:		
Operating profit	10,910	10,214
Depreciation and amortisation	8,242	6,402
Gain on disposal of fixed assets	(603)	(481)
Movement in stocks	3,054	(1,597)
Movement in debtors	(1,769)	(6,191)
Movement in creditors	3,975	2,423
	23,809	10,770

4 - Directors' remuneration

	2003 £'000	2002 £'000
Emoluments	1,064	1,008
Members of defined benefit pension scheme		
The emoluments paid in respect of the highest paid director are as follows:		
	2003 £'000	2002 £'000
Emoluments	318	229
Accrued pension benefit	41	37

Notes to the accounts at 28th March, 2003

5 - Staff Costs

	2003 £'000	2002 £'000
Wages and salaries	45,066	40,828
Social security costs	3,296	3,149
Other pension costs	3,563	1,969
	51,925	45,946
The average weekly number of employees during the period was made up as follows:		
	2003 No.	2002 No.
Office and management	737	759
Operational	1,659	1,471
	2,396	2,230

6 - Interest

	2003 £'000	2002 £'000
Interest payable - bank loans and overdrafts	(74)	(33)
Interest received	836	965
	762	932

Notes to the accounts at 28th March, 2003

7 - Tax on profit on ordinary activities

	2003 £'000	2002 £'000
UK Corporation tax		
UK Corporation tax	3,549	3,351
Adjustments in respect of previous periods	11	96
Foreign Tax	14	-
Total Current Tax Charge	3,574	3,447
Deferred tax		
Originating and reversal of timing differences	78	(326)
	3,652	3,121
Factors affecting the current tax charge		
The tax assessed on the profit for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.		
	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	11,672	11,146
Profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30% (2002 - 30%)	3,502	3,344
Effect of:		
Disallowed expenses and non-taxable income	139	50
Depreciation in excess of capital allowances	(79)	(113)
Short term timing differences	3	94
Adjustments in respect of previous periods	11	96
Others	(2)	(24)
Total Current Tax Charge	3,574	3,447

Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years.

Notes to the accounts at 28th March, 2003

8 - Profit attributable to members of the parent company

	2003 £'000	2002 £'000
Dealt with in the accounts of the parent company	8,035	1,303
Retained by subsidiary undertakings	(30)	6,735
	8,005	8,038

9 - Dividends

	2003 £'000	2002 £'000
Interim	22p 181	20p 164
Final	21p 173	21p 173
	43p 354	41p 337

The calculation of earnings per share is based on earnings of £8,005,000 (2002 - £8,038,000) and on issued ordinary shares of 821,622 (2002 - 821,622).

10 - Tangible fixed assets

Group	Land and buildings £'000	Plant, machinery, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost:				
At 29th March, 2002	5,850	22,458	24,882	53,190
Acquisitions	1,011	70	9,011	10,092
Additions	11	2,279	8,228	10,518
Disposals	(480)	(713)	(9,330)	(10,523)
At 28th March, 2003	6,392	24,094	32,791	63,277
Depreciation:				
At 29th March, 2002	1,405	10,307	8,900	20,612
Acquisitions	18	54	4,960	5,032
Provided during the period	133	2,248	5,750	8,131
Disposals	-	(428)	(6,835)	(7,263)
At 28th March, 2003	1,556	12,181	12,775	26,512
Net book value at 28th March, 2003	4,836	11,913	20,016	36,765
Net book value at 29th March, 2002	4,445	12,151	15,982	32,578

Notes to the accounts at 28th March, 2003

10 - Tangible fixed assets (continued)

	Land and buildings £'000	Plant, machinery, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Company				
Cost:				
At 29th March, 2002	3,824	1,205	74	5,103
Additions	-	154	52	206
Disposals	-	(128)	(105)	(233)
Transfers	1,576	-	-	1,576
At 28th March, 2003	5,400	1,231	21	6,652
Depreciation:				
At 29th March, 2002	1,046	853	58	1,957
Provided during the period	84	203	8	295
Disposals	-	(128)	(47)	(175)
Transfers	201	-	-	201
At 28th March, 2003	1,331	928	19	2,278
Net book value at 28th March, 2003	4,069	303	2	4,374
Net book value at 29th March, 2002	2,778	352	16	3,146

The net book value of land and buildings comprises:

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Freehold	4,784	4,391	4,017	2,724
Short leasehold	52	54	52	54
	4,836	4,445	4,069	2,778

11 - Investments

	2003 £'000	2002 £'000
Group		
Unlisted investment	325	325

Notes to the accounts at 28th March, 2003

11 - Investments (continued)

Company	Subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost:			
At 29th March 2002	4,016	325	4,341
Acquisitions	5,227	-	5,227
At 28th March 2003	9,243	325	9,568
Amounts provided:			
At 29th March 2002	231	-	231
Provided during the period	229	-	229
At 28th March 2003	460	-	460
Net book value at 28th March 2003	8,783	325	9,108
Net book value at 29th March 2002	3,785	325	4,110

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
Stamford Van & Car Hire Limited	England	100%	Car and van hire
Turner Access Limited	Scotland	100%	Construction access
Tradesman Access Limited	Scotland	100%	Dormant
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
SARL Turner Services*	France	100%	Facilities management
Turner Morland Limited	Scotland	100%	Dormant
Team Building Utilities Limited	England	100%	Dormant
Team Q Maintenance Limited	England	100%	Building services maintenance
Aurora Systems (Cheshunt) Limited	England	100%	Dormant
Flametec Limited	England	100%	Equipment flame protection
Francome Fabrications Limited	England	100%	Dormant
Turner Diesel Contracts Limited*	England	100%	Dormant
T.G.Power Limited *	England	100%	Power generation
Risborough Turfcare Supplies Limited	England	100%	Dormant
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
Joint Venture			
Amec Turner Limited*	Scotland	50%	Facilities management

* Held by a subsidiary undertaking.

Notes to the accounts at 28th March, 2003

11 - Investments (continued)

Current year's acquisition

On 12th June 2002 the company acquired Stamford Van and Car Hire Limited for a consideration of £5,338,000 satisfied by a cash payment. The investment in Stamford Van and Car Hire Limited has been included in the company's balance sheet at its fair value at the date of acquisition. The effect on the group's results for the year was not material.

Net assets at date of acquisition:

	Cost £'000	Adjustments Revaluation £'000	Other £'000	Fair value to Group £'000
Tangible assets	4,368	318	374	5,060
Working capital				
Stock	-	-	21	21
Debtors	262	-	60	322
Creditors	(293)	-	(24)	(317)
Cash and short term deposits	382	-	-	382
Deferred taxation	(34)	(95)	(112)	(241)
	4,685	223	319	5,227
Goodwill arising on acquisition				111
Cash payment for share capital				5,338

The goodwill arising on acquisition has been fully written off in the current year.

The fair value adjustments comprise an increase in the value of property as a result of revaluation and adjustments to the value of fixed assets, stocks and prepayments as a result of the change to group accounting policies and the related deferred tax on these adjustments.

12 - Stocks

	Group	
	2003 £'000	2002 £'000
Raw materials	3,038	2,767
Work in progress	4,053	4,285
Finished goods	9,580	12,652
	16,671	19,704

Notes to the accounts at 28th March, 2003

13 - Debtors

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Trade debtors	32,781	33,079	7	18
Amounts owed by subsidiary undertakings	-	-	22,681	25,775
Other debtors	1,353	1,088	280	58
Prepayments and accrued income	3,727	1,603	-	-
Current corporation tax	-	-	2,473	1,683
	37,861	35,770	25,441	27,534

14 - Net Funds

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

	2003	2002	Change
	£'000	£'000	£'000
Cash at bank and in hand	9,283	7,070	2,213
Cash on fixed term deposits	26,609	20,291	6,318
Net funds	35,892	27,361	8,531
	2002	2001	Change
	£'000	£'000	£'000
Cash at bank and in hand	7,070	14,276	(7,156)
Cash on fixed term deposits	20,291	12,897	7,394
Net funds	27,361	27,123	238

Notes to the accounts at 28th March, 2003

15 - Creditors: amounts falling due within one year

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Amounts due to subsidiary undertakings	-	-	28,897	36,045
Trade creditors	16,803	14,441	248	211
Current corporation tax	1,148	1,538	-	-
Other taxes and social security costs	3,228	3,444	992	1,061
Other creditors	2,285	1,719	-	-
Accruals	12,288	9,848	1,234	1,141
Proposed dividend	173	173	173	173
Loan notes	-	867	-	867
	35,925	32,030	31,544	39,498

16 - Obligations under leases

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

	Land & Buildings		Other	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Group				
Operating leases which expire :				
within one year	120	108	-	-
between two and five years	88	156	-	-
over five years	555	382	-	-
	763	646	-	-
Company				
Operating leases which expire :				
within one year	-	-	5	10
between two and five years	-	-	67	62
over five years	279	190	-	-
	279	190	72	72

Notes to the accounts at 28th March, 2003

17 - Deferred Taxation

Provision for deferred tax:

	Group	Company
	2003 £'000	2003 £'000
At 29th March 2002	1,222	140
Provided during the year	104	(3)
Prior year adjustment	(25)	4
Acquisitions	129	-
At 28th March 2003	1,430	141

The deferred tax consists of:

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Accelerated capital allowances	1,731	1,611	165	150
Other timing differences	(301)	(389)	(24)	(10)
	1,430	1,222	141	140

18 - Share capital

	Authorised		Allotted, called up and full paid	
	2003 No.	2002 No.	2003 £'000	2002 £'000
Ordinary shares of 25p each	821,622	821,622	205	205

Notes to the accounts at 28th March, 2003

19 - Reconciliation of shareholders' funds and movements on reserves

Group	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 30th March 2001	205	22	74,313	74,540
Profit for the financial period	-	-	8,038	8,038
Dividends	-	-	(337)	(337)
At 29th March 2002	205	22	82,014	82,241
Profit for the financial period	-	-	8,005	8,005
Dividends	-	-	(354)	(354)
At 28th March 2003	205	22	89,665	89,892
Company				
At 30th March 2001	205	22	6,814	7,041
Profit for the financial period	-	-	1,303	1,303
Dividends	-	-	(337)	(337)
At 29th March 2002	205	22	7,780	8,007
Profit for the financial period	-	-	8,035	8,035
Dividends	-	-	(354)	(354)
Inter company loan write off	-	-	(1,980)	(1,980)
At 28th March 2003	205	22	13,481	13,708

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 29th March 2002 and 28th March 2003.

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 28th March 2003 the company's contingent liability amounted to £Nil (2002 - £Nil).

At the balance sheet date the group had counter indemnified its bankers for performance bonds granted to third parties for £3,151,000 (2002 - £2,615,000) in respect of overseas contracts and a deferment bond to HM Customs and Excise for £440,000 (2002 - £440,000) in respect of Value Added Tax.

Notes to the accounts at 28th March, 2003

22 - Pension commitments

The company participates in a defined benefit pension scheme, the assets of which are held in a separate trustee administered fund known as the Turner & Co. (Glasgow) Limited Retirement Benefits Scheme. The retirement benefits are funded by way of company and employee contributions, the amounts of which are determined following consultations with independent actuaries who also review periodically the adequacy of the funding. This scheme was closed to new entrants on 7th May 2002.

SSAP 24

The fund was last actuarially valued as at 6th April 2000 using the projected unit method. At that date the market value of the assets was £32,444,000 and their actuarial value was sufficient to cover 119% of the benefits that had accrued to members.

The principal assumptions made by the actuaries were that the annual rate of interest earned by the scheme's assets and the annual rate of salary increases were 6.5% and 5% respectively.

During the year the company increased its contributions based on discussions with its actuary to reflect the provisional revised actuarial valuation. This reflects the approximate SSAP 24 cost for the year ended 28th March 2003.

The total company pension cost charged for the year was **£3,563,000** (2002 - £1,969,000).

FRS 17 Retirement Benefits

The valuation used for FRS17 disclosures has been based on the most recent actuarial valuation at 6th April 2000 and updated by Hymans Robertson to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 28th March 2003.

The financial assumptions used to calculate the scheme liabilities under FRS 17 are:

	At 28th March 2003 %	At 29th March 2002 %
Discount rate	5.40%	6.00%
Salary increases	4.50%	4.25%
Pension increases	2.50%	2.75%
Price inflation	2.50%	2.75%

Notes to the accounts at 28th March, 2003

22 - Pension commitments (continued)

The assets in the scheme and the expected rate of return under FRS 17 were:

	Long term Return p.a.	Fund Value at 28th March 2003 £'000	Long term Return p.a.	Fund Value at 29th March 2002 £'000
Equities	7.50%	20,862	7.50%	25,662
Bonds & property	5.40%	3,079	6.00%	3,628
Government bonds	4.50%	1,988	5.25%	2,341
Cash	3.75%	1,696	-	-
Total market value of assets		27,625		31,631
Present value of scheme liabilities		46,086		32,530
Deficit in the scheme		(18,461)		(899)
Related deferred tax asset		5,538		270
Net pension liability		(12,923)		(629)
Reconciliation of net assets and reserves under FRS 17				
		2003 £'000	2002 £'000	
Net Assets				
Net assets as stated in balance sheet		89,892	82,241	
FRS 17 defined benefit liabilities		(12,923)	(629)	
Net assets including defined benefit liabilities		76,969	81,612	
Reserves				
Profit and loss reserve as stated in the balance sheet		89,665	82,014	
FRS 17 defined benefit liabilities		(12,923)	(629)	
Profit and loss reserves including amounts relating to defined benefit liabilities		76,742	81,385	

Notes to the accounts at 28th March, 2003

22 - Pension commitments (continued)

An analysis of the defined benefit cost for the year ended 28th March 2003 is as follows:

	2003
	£'000
Analysis of amounts charged to operating profit under FRS 17	
Current service cost	1,929
Past service cost	27
Total operating charge	1,956
Expected return on pension scheme assets	2,372
Interest on pension scheme liability	(2,000)
Total other finance income	372
Actual return less expected return on pension scheme assets	(9,369)
Experience gains and losses arising on scheme liabilities	(437)
Loss arising from changes in assumptions underlying the present value of scheme liabilities	(9,519)
Actuarial loss recognised in Statement of Total Recognised Gains and Losses under FRS 17	(19,325)
Movement in deficit during the year under FRS 17:	
Deficit in scheme at 29th March 2002	(899)
Total operating charge	(1,956)
Contributions	3,563
Other expenses	(216)
Net return	372
Actuarial losses	(19,325)
Deficit in scheme at 28th March 2003	(18,461)

Notes to the accounts at 28th March, 2003

22 - Pension commitments (continued)

History of experience gains and losses:		
	%	2003 £'000
Difference between the actual and expected return on scheme assets		(9,369)
Percentage of scheme assets	(33.91)	
Experience losses on scheme liabilities		(438)
Percentage of present value of scheme liabilities	(0.95)	
Actuarial losses recognised in statement of total recognised gains and losses		(19,325)
Percentage of present value of scheme liabilities	(41.93)	

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 Plus Eight Systems AB. The holders of those shares have no rights against any other group company.

Notes: