

Turner Aviation Limited

REPORT & ACCOUNTS

Period ended 31st March 2000



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Registration Number - 44355

Turner Aviation Limited
DIRECTORS' REPORT

The directors present their report and accounts for the 53 weeks ended 31st March 2000.

RESULTS AND DIVIDEND

The trading profit for the period after taxation amounted to £440,263.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period was aviation engineering.

FUTURE DEVELOPMENTS

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

DIRECTORS AND THEIR INTERESTS

The directors at 31st March 2000 were as follows:

J. D. Russell
A. Gordon Turner
I. H. Brown
A. O. Walker
E. C. Tedman
D. Muirhead

I. H. Brown held 200 25p ordinary shares in Turner & Co. (Glasgow) Limited throughout the period.

No other director, who is not also a director of the holding company, had any interest in the shares of the company or of any group companies at any time during the period.

In accordance with the provisions of the Articles of Association all directors retire at the Annual General Meeting 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 year which give a true and fair view of the state of the affairs of the company and of the profit or loss for that year. 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 have expressed their willingness to continue in office and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board



W. S. Sharp
Secretary

27th October 2000

REPORT OF THE AUDITORS

to the members of Turner Aviation Limited

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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 to 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.

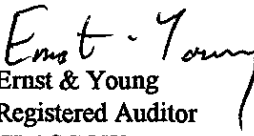
BASIS OF OPINION

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 at 31st March 2000 and of the profit for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
GLASGOW.

27th October 2000

Turner Aviation Limited**PROFIT AND LOSS ACCOUNT**

for the 53 weeks ended 31st March 2000

	<i>Note</i>	<i>2000</i> £	<i>1999</i> £
TURNOVER	2	6,553,982	7,058,837
Cost of sales		<u>3,860,357</u>	<u>4,231,566</u>
Gross profit		2,693,625	2,827,271
Administrative expenses		<u>2,057,165</u>	<u>1,878,599</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	636,460	948,672
Tax on profit on ordinary activities	5	<u>196,197</u>	<u>289,860</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>440,263</u></u>	<u><u>658,812</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the company of £440,263 in the period ended 31st March 2000 (1999 - £658,812).

The notes on pages 6 to 11 form part of these accounts.

Turner Aviation Limited

BALANCE SHEET

at 31st March 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	175,975	177,495
CURRENT ASSETS			
Stocks	7	1,458,270	1,201,569
Debtors	8	5,385,622	4,341,923
		6,843,892	5,543,492
CREDITORS			
Amounts falling due within one year	9	2,291,721	1,433,104
NET CURRENT ASSETS		<u>4,552,171</u>	<u>4,110,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,728,146</u>	<u>4,287,883</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>4,728,046</u>	<u>4,287,783</u>
EQUITY SHAREHOLDERS FUNDS		<u>4,728,146</u>	<u>4,287,883</u>



J. D. Russell
Director

27th October 2000

The notes on pages 6 to 11 form part of these accounts.

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 31st March 2000

1. ACCOUNTING POLICIES

Basis of preparation

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

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, from the accounting period in which the assets are brought into use as follows:

Plant and machinery	-	15 - 20% per annum on a straight line basis
Fixtures and fittings	-	15% per annum on a reducing balance basis
Motor vehicles	-	25% per annum on a straight line basis
Computer equipment	-	33.3% per annum 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	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.

Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term differences, except for those which are not expected to reverse in the future.

Foreign currency

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

2. TURNOVER

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.

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 31st March 2000

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) This is stated after charging (or crediting):

	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Auditors remuneration - audit services	8,300	8,100
- other services	1,560	1,855
Depreciation	64,091	60,879
Operating lease - motor vehicles	56,740	48,566
Gain on sale of fixed assets	<u>-</u>	<u>(17,935)</u>

(b) Directors' remuneration

Emoluments (including pension contributions)	<u>174,522</u>	<u>164,372</u>
	<i>No.</i>	<i>No.</i>
Members of defined benefit pension scheme	<u>3</u>	<u>3</u>

4. STAFF COSTS

	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Wages and salaries	1,604,243	1,530,192
Social security costs	141,352	137,689
Other pension costs	<u>175,337</u>	<u>154,099</u>
	<u>1,920,932</u>	<u>1,821,980</u>

The average weekly number of employees during the period was made up as follows:

	<i>No.</i>	<i>No.</i>
Office and management	32	31
Manufacturing	<u>49</u>	<u>53</u>
	<u>81</u>	<u>84</u>

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 31st March 2000

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2000</i> £	<i>1999</i> £
Based on the profit for the period:		
Corporation tax at 31% (1999 - 31%)	196,197	288,892
Tax underprovided in previous period	-	968
	<u>196,197</u>	<u>289,860</u>

6. TANGIBLE FIXED ASSETS

	<i>Plant & machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:			
At 26th March 1999	1,596,424	11,757	1,608,181
Additions	62,571	-	62,571
Disposals	<u>(80,070)</u>	<u>-</u>	<u>(80,070)</u>
At 31st March 2000	<u>1,578,925</u>	<u>11,757</u>	<u>1,590,682</u>
Depreciation:			
At 26th March 1999	1,429,390	1,296	1,430,686
Provided during the period	61,302	2,789	64,091
Disposals	<u>(80,070)</u>	<u>-</u>	<u>(80,070)</u>
At 31st March 2000	<u>1,410,622</u>	<u>4,085</u>	<u>1,414,707</u>
Net book value at 31st March 2000	<u>168,303</u>	<u>7,672</u>	<u>175,975</u>
Net book value at 26th March 1999	<u>167,034</u>	<u>10,461</u>	<u>177,495</u>

7. STOCKS

	<i>2000</i> £	<i>1999</i> £
Raw materials	1,191,531	1,067,326
Work in progress	<u>266,739</u>	<u>134,243</u>
	<u>1,458,270</u>	<u>1,201,569</u>

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 31st March 2000

8. DEBTORS

	2000 £	1999 £
Trade debtors	1,175,956	1,115,888
Amounts due by fellow subsidiary undertakings	147,405	93,404
Amount due by parent undertaking	4,060,261	3,130,631
Prepayments and accrued income	2,000	2,000
	<u>5,385,622</u>	<u>4,341,923</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft (see below)	64,174	245,692
Trade creditors	283,617	400,379
Amounts due to fellow subsidiary undertakings	1,605,081	322,085
Corporation tax	196,197	288,892
Other taxes and social security costs	76,615	73,122
Accruals	66,037	102,934
	<u>2,291,721</u>	<u>1,433,104</u>

A bank overdraft facility exists and is secured by bonds and floating charges over the assets of the company and other group companies.

10. DEFERRED TAX

Deferred tax provided in the accounts and the potential amounts, including the amounts for which provision has been made, are as follows:

	<i>Provision</i>		<i>Potential</i>	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>(3,785)</u>	<u>(2,747)</u>

11. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 31st March 2000

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 27th March 1998	100	3,628,971	3,629,071
Retained profit for the period	-	658,812	658,812
At 26th March 1999	100	4,287,783	4,287,883
Retained profit for the period	-	440,263	440,263
At 31st March 2000	100	4,728,046	4,728,146

13. CAPITAL COMMITMENTS

There are no capital commitments at 31st March 2000 (1999 - Nil).

14. PENSION COSTS

The company is a member of the Turner group pension scheme. The scheme is an externally funded defined benefit scheme based on final pensionable pay. Contributions payable to the scheme which amounted to £175,337 (1999 - £154,099) are assessed by consulting qualified actuaries based on the experience of the scheme as a whole. Details of the group scheme as required by SSAP 24 are disclosed in the accounts of Turner & Co. (Glasgow) Limited.

15. ULTIMATE HOLDING COMPANY

The ultimate holding company of Turner Aviation Limited is Turner & Co. (Glasgow) Limited which is registered in Scotland.

The only undertaking for which group accounts are prepared is Turner & Co. (Glasgow) Limited.

16. CONTINGENT LIABILITIES

In conjunction with other group companies, an unlimited guarantee has been given in respect of bank overdraft facilities of certain group companies. At 31st March 2000 the contingent liability amounted to £Nil (1999 - £Nil)

A guarantee of £20,000 (1999 - £20,000) has been given in favour of H.M. Customs and Excise in respect of duty deferment.

17. OTHER FINANCIAL COMMITMENTS

At 31st March 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Other 2000 £</i>	<i>Other 1999 £</i>
Operating leases which expire:		
In the second to fifth years inclusive	<u>46,978</u>	<u>38,595</u>