

Turner Aviation Limited

REPORT & ACCOUNTS

Period ended 30th March 2001

20



SCT SSR726LB 0479
COMPANIES HOUSE 14/12/01

Registration Number - 44355

Turner Aviation Limited
DIRECTORS' REPORT

The directors present their report and accounts for the 52 weeks ended 30th March 2001.

RESULTS AND DIVIDEND

The trading profit for the period after taxation amounted to £385,978.

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 30th March 2001 were as follows:

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

E. C. Tedman resigned as a director on 15th April 2001.

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.

Turner Aviation Limited
DIRECTORS' REPORT

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 on 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.

By order of the board



W. S. Sharp
Secretary

26th October 2001

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 30th March 2001 and of the profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP

Registered Auditor
GLASGOW.

26th October 2001

Turner Aviation Limited

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 30th March 2001

	<i>Note</i>	<i>2001</i> £	<i>2000</i> £
TURNOVER	2	6,415,905	6,553,982
Cost of sales		<u>3,803,638</u>	<u>3,860,357</u>
Gross profit		2,612,267	2,693,625
Administrative expenses		<u>2,052,036</u>	<u>2,057,165</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	560,231	636,460
Tax on profit on ordinary activities	5	<u>174,253</u>	<u>196,197</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>385,978</u></u>	<u><u>440,263</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the members of the company of £385,978 in the period ended 30th March 2001 (2000 - £440,263).

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

Turner Aviation Limited

BALANCE SHEET

at 30th March 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	120,604	175,975
CURRENT ASSETS			
Stocks	7	1,246,574	1,458,270
Debtors	8	5,623,649	5,385,622
Cash at bank		188,592	-
		7,058,815	6,843,892
CREDITORS			
Amounts falling due within one year	9	2,065,295	2,291,721
NET CURRENT ASSETS		<u>4,993,520</u>	<u>4,552,171</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,114,124</u>	<u>4,728,146</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>5,114,024</u>	<u>4,728,046</u>
EQUITY SHAREHOLDERS FUNDS		<u>5,114,124</u>	<u>4,728,146</u>



J. D. Russell
Director

26th October 2001

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

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 30th March 2001

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 30th March 2001

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<i>2001</i> £	<i>2000</i> £
Auditors' remuneration - audit services	8,500	8,300
- other services	1,000	1,560
Depreciation	62,969	64,091
Operating lease - motor vehicles	59,871	56,740
Gain on sale of fixed assets	-	-
	<u>-</u>	<u>-</u>

(b) Directors' remuneration

Emoluments (including pension contributions)	<u>181,073</u>	<u>174,522</u>
	<i>No.</i>	<i>No.</i>
Members of defined benefit pension scheme	<u>3</u>	<u>3</u>

4. STAFF COSTS

	<i>2001</i> £	<i>2000</i> £
Wages and salaries	1,582,087	1,604,243
Social security costs	141,814	141,352
Other pension costs	188,612	175,337
	<u>1,912,513</u>	<u>1,920,932</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	32
Manufacturing	<u>49</u>	<u>49</u>
	<u>81</u>	<u>81</u>

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 30th March 2001

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Based on the profit for the period:		
Corporation tax at 30% (2000 - 30%)	<u>174,253</u>	<u>196,197</u>

6. TANGIBLE FIXED ASSETS

	<i>Plant & machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:			
At 31st March 2000	1,578,925	11,757	1,590,682
Additions	7,598	-	7,598
Disposals	-	-	-
At 30th March 2001	<u>1,586,523</u>	<u>11,757</u>	<u>1,598,280</u>
Depreciation:			
At 31st March 2000	1,410,622	4,085	1,414,707
Provided during the period	60,180	2,789	62,969
Disposals	-	-	-
At 30th March 2001	<u>1,470,802</u>	<u>6,874</u>	<u>1,477,676</u>
Net book value at 30th March 2001	<u>115,721</u>	<u>4,883</u>	<u>120,604</u>
Net book value at 31st March 2000	<u>168,303</u>	<u>7,672</u>	<u>175,975</u>

7. STOCKS

	2001 £	2000 £
Raw materials	1,071,875	1,191,531
Work in progress	<u>174,699</u>	<u>266,739</u>
	<u>1,246,574</u>	<u>1,458,270</u>

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 30th March 2001

8. DEBTORS

	2001 £	2000 £
Trade debtors	1,051,105	1,175,956
Amounts due by fellow subsidiary undertakings	217,730	147,405
Amount due by parent undertaking	4,352,814	4,060,261
Prepayments and accrued income	2,000	2,000
	<u>5,623,649</u>	<u>5,385,622</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	2000 £
Bank overdraft (see below)	-	64,174
Trade creditors	160,164	283,617
Amounts due to fellow subsidiary undertakings	1,600,942	1,605,081
Corporation tax	174,253	196,197
Other taxes and social security costs	15,400	76,615
Accruals	114,536	66,037
	<u>2,065,295</u>	<u>2,291,721</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>	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>(8,187)</u>	<u>(3,785)</u>

11. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2001	2000	2001	2000
	£	£	£	£
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 30th March 2001

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
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
Retained profit for the period	-	385,978	385,978
At 30th March 2001	100	5,114,024	5,114,124

13. CAPITAL COMMITMENTS

There are no capital commitments at 30th March 2001 (2000 - 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 £188,612 (2000 - £175,337) 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 30th March 2001 the contingent liability amounted to £Nil (2000 - £Nil)

A guarantee of £20,000 (2000 - £20,000) has been given in favour of H.M. Customs and Excise in respect of duty deferment.

Turner Aviation Limited
NOTES TO THE ACCOUNTS
at 30th March 2001

17. OTHER FINANCIAL COMMITMENTS

At 30th March 2001, the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Other</i> <i>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
In the second to fifth years inclusive	<u>52,037</u>	<u>46,978</u>

Turner Aviation Limited

UNAUDITED TRADING PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 30th March 2001

	2000 £	2000 £
TURNOVER	<u>6,415,905</u>	<u>6,553,982</u>
GROSS PROFIT	<u>2,612,267</u>	<u>2,693,625</u>
CENTRAL CHARGES:		
Management charge	219,000	225,792
Rent	98,326	96,406
Rates	39,123	35,774
Insurance	63,855	62,751
Accountancy and audit	8,996	9,169
	429,300	429,892
WAGES AND SALARIES:		
Management	419,155	350,734
Sales	111,368	125,148
Indirect	164,767	189,021
Clerical	58,186	53,551
Holiday Pay	83,368	86,062
National Insurance	67,290	61,379
Pension	188,612	175,337
	1,092,746	1,041,232
PROPERTY EXPENSES:		
Electricity	25,272	31,516
Gas	10,633	9,976
Other heating	182	-
Building maintenance	8,634	8,177
Maintenance	6,135	3,310
	50,856	52,979
PLANT MAINTENANCE:		
Consumable material	41,682	48,457
Loose tools	8,111	14,716
Plant depreciation	80,617	61,393
Plant / equipment maintenance	28,996	24,365
Oils , greases , cleaning materials	10,555	7,065
	169,961	155,996
MOTOR AND TRAVEL:		
Motor expenses	22,925	18,909
Motor depreciation and insurance	47,948	62,170
Travel	55,561	56,108
Entertaining	158	403
	126,592	137,590
CARRIAGE:		
Carriage	148,908	139,893
Carriage recovery	(91,445)	(107,683)
	57,463	32,210

Turner Aviation Limited

UNAUDITED TRADING PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 30th March 2001

	2000 £	2000 £
TELEPHONE:	17,642	17,291
SUNDRY EXPENSES:		
Advertising	7,111	8,780
Stationery	8,721	12,452
Sundry	31,004	32,462
Training	5,952	13,952
New developments	4,032	6,118
Fees and memberships	24,557	37,061
	81,377	110,825
FINANCIAL:		
Bank charges	12,612	12,305
Legal charges	2,472	709
Bad debts	11,015	66,218
Discount allowed	-	-
Exchange gain	-	(82)
	26,099	79,150
TOTAL OVERHEADS	<u>2,052,036</u>	<u>2,057,165</u>
NET PROFIT	<u>560,231</u>	<u>636,460</u>