

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000
FOR
LUCKETTS HOLDINGS LIMITED**



Morris Crocker
Chartered Accountants
Registered Auditors
1 Osborn Road South
Fareham
Hampshire
PO16 7JT

LUCKETTS HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2000**

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LUCKETTS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2000

DIRECTORS:

D F Lockett
S D Lockett
I M Lockett

SECRETARY:

I M Lockett

REGISTERED OFFICE:

Broadcut
Wallington
Fareham
Hampshire

REGISTERED NUMBER:

3625708 (England and Wales)

AUDITORS:

Morris Crocker
Chartered Accountants
Registered Auditors
1 Osborn Road South
Fareham
Hampshire
PO16 7JT

BANKERS:

HSBC
71 West Street
Fareham
Hampshire
PO16 0AN

LUCKETTS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2000

The directors present their report with the financial statements of the company for the year ended 31 August 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding and property investment company. The company's subsidiaries and their activities are shown in note 7 to the financial statements.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider that the company's results for the year and the year end financial position are satisfactory.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £1 per share.

The total distribution of dividends for the year ended 31 August 2000 will be £10,000.

FIXED ASSETS

Details of changes in fixed assets are shown in note 5 to the financial statements.

DIRECTORS

The directors during the year under review were:

D F Lockett
S D Lockett
I M Lockett

The beneficial interests of the directors holding office on 31 August 2000 in the issued share capital of the company were as follows:

	31.8.00	1.9.99
£1 Ordinary £1 shares		
D F Lockett	2,900	4,900
S D Lockett	2,000	1,300
I M Lockett	2,000	1,300

D F Lockett is a trustee of a discretionary trust which held 2,500 ordinary shares at 31st August 2000 (1999-2,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 financial statements 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.

LUCKETTS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2000

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'I M Lockett', written over a horizontal line.

I M Lockett - SECRETARY

Dated: 1 March 2001

LUCKETTS HOLDINGS LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
LUCKETTS HOLDINGS LIMITED**

We have audited the financial statements on pages five to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

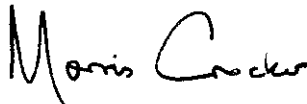
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Morris Crocker
Chartered Accountants
Registered Auditors
1 Osborn Road South
Fareham
Hampshire
PO16 7JT



Dated: 1 March 2001

LUCKETTS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2000

		Year Ended 31.8.00	Period 3.9.98 to 31.8.99
	Notes	£	£
TURNOVER		34,575	32,035
GROSS PROFIT		<u>34,575</u>	<u>32,035</u>
Administrative expenses		(40,577)	(39,543)
		<u>(6,002)</u>	<u>(7,508)</u>
Other operating income		6,000	-
OPERATING LOSS	3	(2)	(7,508)
Income from investments		<u>100,000</u>	<u>700,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		99,998	692,492
Tax on profit on ordinary activities	4	(114)	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		99,884	692,492
Dividends	5	(10,000)	-
		<u>89,884</u>	<u>692,492</u>
Retained profit brought forward		692,492	-
RETAINED PROFIT CARRIED FORWARD		<u><u>£782,376</u></u>	<u><u>£692,492</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**BALANCE SHEET
31 AUGUST 2000**

		2000	1999
	Notes	£	£
FIXED ASSETS:			
Tangible assets	6	686,131	687,240
Investments	7	10,202	10,200
		<u>696,333</u>	<u>697,440</u>
CURRENT ASSETS:			
Debtors	8	112,203	14,156
Cash at bank		7,495	1,895
		<u>119,698</u>	<u>16,051</u>
CREDITORS: Amounts falling due within one year	9	(23,655)	(10,999)
NET CURRENT ASSETS:		<u>96,043</u>	<u>5,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£792,376</u>	<u>£702,492</u>
CAPITAL AND RESERVES:			
Called up share capital	10	10,000	10,000
Profit and loss account		782,376	692,492
SHAREHOLDERS' FUNDS:	14	<u>£792,376</u>	<u>£702,492</u>

ON BEHALF OF THE BOARD:



I M Lockett - DIRECTOR

Approved by the Board on 1 March 2001

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2000**

		Year Ended 31.8.00	Period 3.9.98 to 31.8.99
	Notes	£	£
Net cash outflow from operating activities	1	(92,635)	(7,905)
Returns on investments and servicing of finance	2	100,000	700,000
Taxation		(114)	-
Capital expenditure and financial investment	2	(1,651)	(700,200)
		<u>5,600</u>	<u>(8,105)</u>
Financing	2	-	10,000
Increase in cash in the period		<u>£5,600</u>	<u>£1,895</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>5,600</u>	<u>1,895</u>
Change in net funds resulting from cash flows		<u>5,600</u>	<u>1,895</u>
Movement in net funds in the period		<u>5,600</u>	<u>1,895</u>
Net funds at 1 September		<u>1,895</u>	<u>-</u>
Net funds at 31 August		<u>£7,495</u>	<u>£1,895</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2000**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year Ended 31.8.00 £	Period 3.9.98 to 31.8.99 £
Operating loss	(2)	(7,508)
Depreciation charges	2,760	2,760
Increase in debtors	(98,049)	(14,156)
Increase in creditors	2,656	10,999
	<u> </u>	<u> </u>
Net cash outflow from operating activities	<u><u>(92,635)</u></u>	<u><u>(7,905)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.8.00 £	Period 3.9.98 to 31.8.99 £
Returns on investments and servicing of finance		
Dividends received	100,000	700,000
	<u> </u>	<u> </u>
Net cash inflow for returns on investments and servicing of finance	<u><u>100,000</u></u>	<u><u>700,000</u></u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,651)	(690,000)
Cash payments - investmt purch	-	(10,200)
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	<u><u>(1,651)</u></u>	<u><u>(700,200)</u></u>
 Financing		
Cash receipt re share issue	-	10,000
	<u> </u>	<u> </u>
Net cash inflow from financing	<u><u>-</u></u>	<u><u>10,000</u></u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.99 £	Cash flow £	At 31.8.00 £
Net cash:			
Cash at bank	1,895	5,600	7,495
	<u>1,895</u>	<u>5,600</u>	<u>7,495</u>
 Total	 <u>1,895</u>	 <u>5,600</u>	 <u>7,495</u>
Analysed in Balance Sheet			
 Cash at bank	 1,895		 7,495
	<u>1,895</u>		<u>7,495</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Group accounts

The company and its subsidiaries comprise a small group as defined by section 249 of the Companies Act 1985. The company has taken advantage of the exemption provided by section 248 of that Act not to prepare group accounts accordingly these financial statements present information about the company as a single undertaking.

Leasing commitments

Rentals received under operating leases are credited to the profit and loss account as they fall due.

2. STAFF COSTS

There were no staff costs for the year ended 31 August 2000 nor for the period ended 31 August 1999.

The average monthly number of employees during the year was as follows:

	Year Ended 31.8.00	Period 3.9.98 to 31.8.99
Management	3	3
	<u> </u>	<u> </u>

3. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.8.00	Period 3.9.98 to 31.8.99
	£	£
Depreciation - owned assets	2,760	2,760
Auditors' remuneration	1,000	750
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.8.00 £	Period 3.9.98 to 31.8.99 £
UK corporation tax	114	-
	<u>114</u>	<u>-</u>

UK corporation tax has been charged at 20% (1999 - not applicable).

5. DIVIDENDS

	Year Ended 31.8.00 £	Period 3.9.98 to 31.8.99 £
Equity shares: Final proposed	10,000	-
	<u>10,000</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £
COST:	
At 1 September 1999	690,000
Additions	1,651
	<u>691,651</u>
At 31 August 2000	691,651
DEPRECIATION:	
At 1 September 1999	2,760
Charge for year	2,760
	<u>5,520</u>
At 31 August 2000	5,520
NET BOOK VALUE:	
At 31 August 2000	686,131
At 31 August 1999	687,240

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**

7. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 September 1999	10,200
Additions	2
At 31 August 2000	10,202
NET BOOK VALUE:	
At 31 August 2000	10,202
At 31 August 1999	10,200
	2000
	£
Unlisted investments	10,202
	1999
	£
	10,200

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

H Lockett & Co Limited

Nature of business: Coach hire operators

	%
Class of shares:	holding
£1 ordinary	100.00
	2000
	£
Aggregate capital and reserves	958,307
Profit for the year/period	129,574
	1999
	£
	913,560
	113,418

Locketts Travel Limited

Nature of business: Tour operator

	%
Class of shares:	holding
£1 ordinary	100.00
	2000
	£
Aggregate capital and reserves	12,336
Profit/(Loss) for the year/period	27,018
	1999
	£
	(14,682)
	(14,782)

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**

7. FIXED ASSET INVESTMENTS - continued

Lucketts Services Limited

Nature of business: Motor vehicle electrical engineers

	%
Class of shares:	holding
£1 ordinary	100.00

	2000	1999
	£	£
Aggregate capital and reserves	(94)	(9,397)
Profit/(Loss) for the year/period	9,303	(11,041)
	<u> </u>	<u> </u>

Coachman Limited

Nature of business: Dormant

	%
Class of shares:	holding
£1 Ordinary	100.00

	2000
	£
Aggregate capital and reserves	2
	<u> </u>

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade debtors	300	7,341
Other debtors	1,458	12
Prepayments & accrued income	2,836	1,303
Directors loan accounts	5,500	5,500
Group undertakings	102,109	-
	<u>112,203</u>	<u>14,156</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade creditors	571	-
Other creditors	4,624	76
Dividend proposed	10,000	-
Group undertakings	-	8,469
Accrued expenses	8,460	2,454
	<u>23,655</u>	<u>10,999</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2000

10. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2000 £	1999 £
Number:	Class:			
100,000	£1 Ordinary	£1	100,000	100,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid:		Nominal value:	2000 £	1999 £
Number:	Class:			
10,000	£1 Ordinary	£1	10,000	10,000
			<u> </u>	<u> </u>

11. CONTINGENT LIABILITIES

The company has provided guarantees in respect of group bank loans and overdrafts. No losses are anticipated as a result of these guarantees.

12. TRANSACTIONS WITH DIRECTORS

At the year end the directors owed the company the following amounts: -

D F Lockett £3,000

S D Lockett £2,500

These amounts represent the maximum owed by the directors during the year.

13. RELATED PARTY DISCLOSURES

Certain costs have been apportioned between related party companies but it is not practicable to itemise them in the accounts.

During the year the company also had the following transactions with its subsidiary companies:

	H Lockett & Co Ltd £	Locketts Travel Limited £	Locketts Services Ltd £
Profit and loss account			
Rental income	6,400	1,300	2,400
Balance sheet			
Debtors	85,595	4,630	11,884

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	99,884	692,492
Dividends	(10,000)	-
Issued shares	89,884	692,492
	-	10,000
Net addition to shareholders' funds	89,884	702,492
Opening shareholders' funds	702,492	-
Closing shareholders' funds	792,376	702,492
Equity interests	792,376	702,492

15. OPERATING LEASES

The company lets part of its freehold property to its subsidiary companies and third parties. Rent receivable during the year ended 31st August 2000 amounted to £34,575 (1999-£32,035).

16. DEFERRED TAXATION

At 31st August 2000, a corporation tax liability of approximately £11,500 would have arisen if the freehold premises had been sold at book value and if the proceeds were not invested in qualifying assets. As the company does not intend selling the property in the foreseeable future, provision for the potential liability has not been made.