

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001
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 2001**

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LUCKETTS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2001

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

LUCKETTS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2001

The directors present their report with the financial statements of the company for the year ended 31 August 2001.

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 2001 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 2001 in the issued share capital of the company were as follows:

	31.8.01	1.9.00
£1 Ordinary £1 shares		
D F Lockett	2,900	2,900
S D Lockett	2,000	2,000
I M Lockett	2,000	2,000

D F Lockett is a trustee of a discretionary trust which held 2,500 ordinary shares at 31st August 2001 (2000-2,000).

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

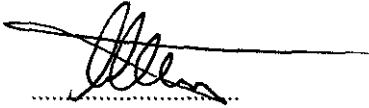
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

LUCKETTS HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2001**

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.

ON BEHALF OF THE BOARD:

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

I M Lockett - SECRETARY

Dated: 30 January 2002

LUCKETTS HOLDINGS LIMITED

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

We have audited the financial statements of Locketts Holdings Limited for the year ended 31 August 2001 on pages five to sixteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 Report of the Directors is not consistent with the financial statements, 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 2001 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: 30 January 2002

LUCKETTS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2001

		2001	2000
	Notes	£	£
TURNOVER		36,090	34,575
Administrative expenses		(24,390)	(40,577)
		11,700	(6,002)
Other operating income		5,000	6,000
OPERATING PROFIT/(LOSS)	3	16,700	(2)
Exceptional Item	4	(19,897)	-
		(3,197)	(2)
Income from investments		100,000	100,000
		96,803	99,998
Interest payable and similar charges	5	(15,806)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		80,997	99,998
Tax on profit on ordinary activities	6	3,094	(114)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		84,091	99,884
Dividends	7	(10,000)	(10,000)
		74,091	89,884
Retained profit brought forward		782,376	692,492
RETAINED PROFIT CARRIED FORWARD		<u>£856,467</u>	<u>£782,376</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

BALANCE SHEET
31 AUGUST 2001

		2001	2000
	Notes	£	£
FIXED ASSETS:			
Tangible assets	8	798,297	686,131
Investments	9	10,202	10,202
		<u>808,499</u>	<u>696,333</u>
CURRENT ASSETS:			
Debtors	10	302,761	112,203
Cash at bank		86,268	7,495
		<u>389,029</u>	<u>119,698</u>
CREDITORS: Amounts falling due within one year	11	(56,739)	(23,655)
NET CURRENT ASSETS:		<u>332,290</u>	<u>96,043</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		1,140,789	792,376
CREDITORS: Amounts falling due after more than one year	12	(274,322)	-
		<u>£866,467</u>	<u>£792,376</u>
CAPITAL AND RESERVES:			
Called up share capital	15	10,000	10,000
Profit and loss account		856,467	782,376
SHAREHOLDERS' FUNDS:	19	<u>£866,467</u>	<u>£792,376</u>

ON BEHALF OF THE BOARD:



I M Lockett - DIRECTOR

Approved by the Board on 30 January 2002

LUCKETTS HOLDINGS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001**

		2001	2000
	Notes	£	£
Net cash inflow from operating activities	1	870	7,365
Returns on investments and servicing of finance	2	85,540	-
Taxation		3,094	(114)
Capital expenditure	2	(97,020)	(1,651)
Equity dividends paid		(10,000)	-
		<u>(17,516)</u>	<u>5,600</u>
Financing	2	96,289	-
Increase in cash in the period		<u>£78,773</u>	<u>£5,600</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		78,773	5,600
Cash inflow from increase in debt		(96,290)	-
Change in net funds resulting from cash flows		(17,517)	5,600
Long term loan transferred from subsidiary company		(195,833)	-
Movement in net funds in the period		<u>(213,350)</u>	<u>5,600</u>
Net funds at 1 September		7,495	1,895
Net (debt)/funds at 31 August		<u>£(205,855)</u>	<u>£7,495</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001**

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit/(loss)	16,700	(2)
Depreciation charges	2,760	2,760
Decrease in debtors	5,276	1,951
(Decrease)/Increase in creditors	(3,969)	2,656
Exceptional items	(19,897)	-
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u>870</u>	<u>7,365</u>

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest paid	(14,460)	-
Dividends received	100,000	-
	<u> </u>	<u> </u>
Net cash inflow for returns on investments and servicing of finance	<u>85,540</u>	<u>-</u>
Capital expenditure		
Purchase of tangible fixed assets	(100,870)	(1,651)
Sale of tangible fixed assets	3,850	-
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	<u>(97,020)</u>	<u>(1,651)</u>
Financing		
New loan taken out in year	105,000	-
Loan repayments in year	(8,711)	-
	<u> </u>	<u> </u>
Net cash inflow from financing	<u>96,289</u>	<u>-</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001

3. ANALYSIS OF CHANGES IN NET FUNDS

		At 1.9.00 £	Cash flow £	At 31.8.01 £
Net cash:				
Cash at bank	7,495	78,773		86,268
	<u>7,495</u>	<u>78,773</u>		<u>86,268</u>
Debt:				
Debts falling due within one year	-	(7,801)	(10,000)	(17,801)
Debts falling due after one year	-	(88,489)	(185,833)	(274,322)
	<u>-</u>	<u>(96,290)</u>	<u>(195,833)</u>	<u>(292,123)</u>
Total	<u>7,495</u>	<u>(17,517)</u>	<u>(195,833)</u>	<u>(205,855)</u>
Analysed in Balance Sheet				
Cash at bank	7,495			86,268
Debts falling due within one year	-			(17,801)
Debts falling due after one year	-			(274,322)
	<u>7,495</u>			<u>(205,855)</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

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
Fixtures and fittings	- 20% on reducing balance

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 2001 nor for the year ended 31 August 2000.

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

	2001	2000
Management	<u>3</u>	<u>3</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2000 - operating loss) is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	2,760	2,760
Auditors' remuneration	<u>1,750</u>	<u>1,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. EXCEPTIONAL ITEMS

At the year end the company's subsidiary Locketts Services Limited ceased trading and the non-recoverable element of the debt due from that company has been waived.

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest	70	-
Loan interest	15,736	-
	<u>15,806</u>	<u>-</u>

6. TAXATION

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
UK corporation tax	-	114
Group relief	(3,094)	-
	<u>(3,094)</u>	<u>114</u>

UK corporation tax was charged at 20% in 2000.

7. DIVIDENDS

	2001 £	2000 £
Equity shares:		
Final proposed	<u>10,000</u>	<u>10,000</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST:			
At 1 September 2000	691,651	-	691,651
Additions	116,193	2,583	118,776
Disposals	(3,850)	-	(3,850)
	<u>803,994</u>	<u>2,583</u>	<u>806,577</u>
At 31 August 2001			
DEPRECIATION:			
At 1 September 2000	5,520	-	5,520
Charge for year	2,760	-	2,760
	<u>8,280</u>	<u>-</u>	<u>8,280</u>
At 31 August 2001			
NET BOOK VALUE:			
At 31 August 2001	<u>795,714</u>	<u>2,583</u>	<u>798,297</u>
At 31 August 2000	<u>686,131</u>	<u>-</u>	<u>686,131</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

9. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 September 2000 and 31 August 2001	<u>10,202</u>	
NET BOOK VALUE:		
At 31 August 2001	<u>10,202</u>	
At 31 August 2000	<u>10,202</u>	
	2001	2000
	£	£
Unlisted investments	<u>10,202</u>	<u>10,202</u>

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

	2001	2000
	£	£
Aggregate capital and reserves	895,208	958,307
Profit for the year	40,468	129,574

Locketts Travel Limited

Nature of business: Tour operator

	%
Class of shares:	holding
£1 ordinary	100.00

	2001	2000
	£	£
Aggregate capital and reserves	24,349	12,336
Profit for the year	12,013	27,018

Locketts Services Limited

Nature of business: Motor vehicle electrical engineers

	%
Class of shares:	holding
£1 ordinary	100.00

	2001	2000
	£	£
Aggregate capital and reserves	100	(94)
Profit for the year	194	9,303

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001**

9. FIXED ASSET INVESTMENTS - continued

Coachman Limited

Nature of business: Dormant

Class of shares:	%
£1 Ordinary	holding 100.00

	2001	2000
	£	£
Aggregate capital and reserves	2	2
	<u> </u>	<u> </u>

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

	2001	2000
	£	£
Trade debtors	-	300
Other debtors	3,835	1,458
Prepayments & accrued income	819	2,836
Directors loan accounts	5,500	5,500
Group undertakings	192,607	2,109
Dividend receivable	100,000	100,000
	<u>302,761</u>	<u>112,203</u>

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

	2001	2000
	£	£
Bank loans and overdrafts (see note 13)	17,801	-
Trade creditors	557	571
Other creditors	4,000	4,624
Dividend proposed	10,000	10,000
Accrued expenses	24,381	8,460
	<u>56,739</u>	<u>23,655</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2001	2000
	£	£
Bank loans (see note 13)	274,322	-
	<u> </u>	<u> </u>

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2001 £	2000 £
Amounts falling due within one year or on demand:		
Bank loans	<u>17,801</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>86,400</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>187,922</u>	<u>-</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2001 £	2000 £
Bank loans	<u>292,123</u>	<u>-</u>

The long term bank loans are secured by charges over the freehold land and property of the company and a floating charge over the assets of the company. The bank loans are wholly repayable by instalments at rates of 1.75% and 2% over the bank's base rate.

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2001 £	2000 £
100,000	£1 Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2001 £	2000 £
10,000	£1 Ordinary	£1	<u>10,000</u>	<u>10,000</u>

16. 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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

17. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 August 2001:

	£
D F Lockett	
Balance outstanding at start of year	3,000
Balance outstanding at end of year	3,000
Maximum balance outstanding during year	<u>3,000</u>
S D Lockett	
Balance outstanding at start of year	2,500
Balance outstanding at end of year	2,500
Maximum balance outstanding during year	<u>2,500</u>

18. 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	180,850	9,024	2,733

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	84,091	99,884
Dividends	(10,000)	(10,000)
Net addition to shareholders' funds	<u>74,091</u>	<u>89,884</u>
Opening shareholders' funds	792,376	702,492
Closing shareholders' funds	<u>866,467</u>	<u>792,376</u>
Equity interests	<u>866,467</u>	<u>792,376</u>

20. 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 2001 amounted to £35,090 (2000-£34,575).

21. DEFERRED TAXATION

At 31st August 2001, a corporation tax liability of approximately £13,500 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.