

LUCKETTS HOLDINGS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002



Morris Crocker
Chartered Accountants
Registered Auditors
Station House
Havant
Hampshire
PO9 1QU

LUCKETTS HOLDINGS LIMITED

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FOR THE YEAR ENDED 31ST AUGUST 2002**

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LUCKETTS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST AUGUST 2002

DIRECTORS: D F Lockett
S D Lockett
I M Lockett

SECRETARY: I M Lockett

REGISTERED OFFICE: Broadcut
Wallington
Fareham
HAMPSHIRE
PO16 8TB

REGISTERED NUMBER: 3625708 (England and Wales)

AUDITORS: Morris Crocker
Chartered Accountants
Registered Auditors
Station House
Havant
Hampshire
PO9 1QU

LUCKETTS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 2002

The directors present their report with the financial statements of the company for the year ended 31st August 2002.

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 31st August 2002 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 31st August 2002 in the issued share capital of the company were as follows:

	31.8.02	1.9.01
£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 2002 (2001-2,000).

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

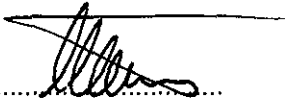
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

LUCKETTS HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST AUGUST 2002**

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:



I M Lockett - SECRETARY

Dated: 14/1/03

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 31st August 2002 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 31st August 2002 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
Station House
Havant
Hampshire
PO9 1QU



Dated: 6th February 2003

LUCKETTS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2002

		2002	2001
	Notes	£	£
TURNOVER		38,802	36,090
Administrative expenses		33,825	24,390
		4,977	11,700
Other operating income		-	5,000
OPERATING PROFIT	3	4,977	16,700
Exceptional Item	4	-	19,897
		4,977	(3,197)
Income from investments		100,540	100,000
		105,517	96,803
Amounts written off investments	5	8,141	-
		97,376	96,803
Interest payable and similar charges	6	16,144	15,806
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		81,232	80,997
Tax on profit on ordinary activities	7	(1,175)	(3,094)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		82,407	84,091
Dividends	8	10,000	10,000
		72,407	74,091
Retained profit brought forward		856,467	782,376
RETAINED PROFIT CARRIED FORWARD		£928,874	£856,467

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.

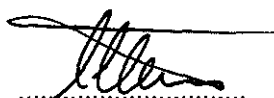
The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

**BALANCE SHEET
31ST AUGUST 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		793,113		798,297
Investments	10		10,202		10,202
			<u>803,315</u>		<u>808,499</u>
CURRENT ASSETS:					
Debtors	11	346,395		302,761	
Investments	12	11,347		-	
Cash at bank		57,613		86,268	
		<u>415,355</u>		<u>389,029</u>	
CREDITORS: Amounts falling due within one year	13	43,043		56,739	
NET CURRENT ASSETS:			<u>372,312</u>		<u>332,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,175,627		1,140,789
CREDITORS: Amounts falling due after more than one year	14		236,753		274,322
			<u>£938,874</u>		<u>£866,467</u>
CAPITAL AND RESERVES:					
Called up share capital	17		10,000		10,000
Profit and loss account			928,874		856,467
SHAREHOLDERS' FUNDS:	21		<u>£938,874</u>		<u>£866,467</u>

ON BEHALF OF THE BOARD:



I M Lockett - DIRECTOR

Approved by the Board on 14/1/03

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2002

		2002		2001	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(32,241)		870
Returns on investments and servicing of finance	2		84,238		85,540
Taxation			-		3,094
Capital expenditure	2		(17,319)		(97,020)
Equity dividends paid			(10,000)		(10,000)
			<u>24,678</u>		<u>(17,516)</u>
Financing	2		(53,333)		96,289
(Decrease)/Increase in cash in the period			<u>£(28,655)</u>		<u>£78,773</u>
Reconciliation of net cash flow to movement in net debt					
	3				
(Decrease)/Increase in cash in the period			(28,655)		78,773
Cash outflow/(inflow) from decrease/(increase) in debt			<u>36,470</u>		<u>(96,290)</u>
Change in net debt resulting from cash flows			7,815		(17,517)
Long term loan transferred from subsidiary company			-		(195,833)
Transfer of current asset investment from subsidiary company and write down			<u>11,347</u>		<u>-</u>
Movement in net debt in the period			<u>19,162</u>		<u>(213,350)</u>
Net (debt)/funds at 1st September			<u>(205,855)</u>		<u>7,495</u>
Net debt at 31st August			<u>£(186,693)</u>		<u>£(205,855)</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2002

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

	2002 £	2001 £
Operating profit	4,977	16,700
Depreciation charges	4,597	2,760
(Increase)/Decrease in debtors	(45,084)	5,276
Increase/(Decrease) in creditors	3,269	(3,969)
Exceptional items	-	(19,897)
Net cash (outflow)/inflow from operating activities	(32,241)	870

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(16,302)	(14,460)
Dividends received	100,540	100,000
Net cash inflow for returns on investments and servicing of finance	84,238	85,540
Capital expenditure		
Purchase of tangible fixed assets	(32,319)	(100,870)
Sale of tangible fixed assets	15,000	3,850
Net cash outflow for capital expenditure	(17,319)	(97,020)
Financing		
New loan taken out in year	-	105,000
Loan repayments in year	(36,470)	(8,711)
Amount withdrawn by directors	(16,863)	-
Net cash (outflow)/inflow from financing	(53,333)	96,289

LUCKETTS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.01 £	Cash flow £	Non - cash transaction £	At 31.8.02 £
Net cash:				
Cash at bank	86,268	(28,655)		57,613
	<u>86,268</u>	<u>(28,655)</u>		<u>57,613</u>
Liquid resources:				
Current asset investments	-	-	11,347	11,347
	<u>-</u>	<u>-</u>	<u>11,347</u>	<u>11,347</u>
Debt:				
Debts falling due within one year	(17,801)	(1,099)	-	(18,900)
Debts falling due after one year	(274,322)	37,569	-	(236,753)
	<u>(292,123)</u>	<u>36,470</u>	<u>-</u>	<u>(255,653)</u>
Total	<u>(205,855)</u>	<u>7,815</u>	<u>11,347</u>	<u>(186,693)</u>
Analysed in Balance Sheet				
Cash at bank	86,268			57,613
Current asset investments	-			11,347
Debts falling due within one year	(17,801)			(18,900)
Debts falling due after one year	(274,322)			(236,753)
	<u>(205,855)</u>			<u>(186,693)</u>

The notes form part of these financial statements

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2002

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 31st August 2002 nor for the year ended 31st August 2001.

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

	2002	2001
Management	3	3
	<u> </u>	<u> </u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	4,597	2,760
Auditors' remuneration	1,800	1,750
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. EXCEPTIONAL ITEMS

At 31st August 2001 the company's subsidiary Lucketts 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 31ST AUGUST 2002**

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2002	2001
	£	£
Amounts written off investment	8,141	-

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	-	70
Loan interest	16,144	15,736
	<u>16,144</u>	<u>15,806</u>

7. TAXATION

Analysis of the tax credit

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	-	-
Group relief	(1,175)	(3,094)
Tax on profit on ordinary activities	<u>(1,175)</u>	<u>(3,094)</u>

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>81,232</u>	<u>80,997</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2001 - 20%)	15,434	16,199
Effects of:		
Expenses not deductible for tax purposes	1,705	-
Depreciation in excess of capital allowances	563	345
Income not taxable	(19,103)	(20,000)
Effect of change in rate of taxation	226	-
Losses carried forward	-	362
Current tax credit	<u>(1,175)</u>	<u>(3,094)</u>

8. DIVIDENDS

	2002	2001
	£	£
Equity shares:		
Final proposed	<u>10,000</u>	<u>10,000</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002

9. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Totals
	£	£	£
COST:			
At 1st September 2001	803,994	2,583	806,577
Additions	11,302	3,111	14,413
Disposals	(15,000)	-	(15,000)
At 31st August 2002	800,296	5,694	805,990
DEPRECIATION:			
At 1st September 2001	8,280	-	8,280
Charge for year	3,458	1,139	4,597
At 31st August 2002	11,738	1,139	12,877
NET BOOK VALUE:			
At 31st August 2002	788,558	4,555	793,113
At 31st August 2001	795,714	2,583	798,297

10. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st September 2001 and 31st August 2002	10,202
NET BOOK VALUE:	
At 31st August 2002	10,202
At 31st August 2001	10,202
	2002
	£
Unlisted investments	10,202
	2001
	£
	10,202

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002**

10. FIXED ASSET INVESTMENTS - continued

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

	2002	2001
	£	£
Aggregate capital and reserves	1,032,608	895,028
Profit for the year	250,921	40,468
	<u> </u>	<u> </u>

Locketts Travel Limited

Nature of business: Tour operator

	%
Class of shares:	holding
£1 ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	26,133	24,349
Profit for the year	1,784	12,013
	<u> </u>	<u> </u>

Locketts Services Limited

Nature of business: Motor vehicle electrical engineers

	%
Class of shares:	holding
£1 ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	100	100
Profit for the year	-	194
	<u> </u>	<u> </u>

Coachman Limited

Nature of business: Dormant

	%
Class of shares:	holding
£1 Ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	2	2
	<u> </u>	<u> </u>

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002**

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

	2002 £	2001 £
Trade debtors	200	-
Other debtors	1,372	3,835
Prepayments and accrued income	916	819
Directors loan accounts	22,363	5,500
Group undertakings	221,544	192,607
Dividend receivable	100,000	100,000
	<u>346,395</u>	<u>302,761</u>

12. CURRENT ASSET INVESTMENTS

	2002 £	2001 £
Listed investments	11,347	-
	<u>11,347</u>	<u>-</u>

Market value of listed investments at 31st August 2002 - £11,347.

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

	2002 £	2001 £
Bank loans and overdrafts (see note 15)	18,900	17,801
Trade creditors	325	557
Other creditors	6,558	4,000
Dividend proposed	10,000	10,000
Accrued expenses	7,260	24,381
	<u>43,043</u>	<u>56,739</u>

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

	2002 £	2001 £
Bank loans (see note 15)	236,753	274,322
	<u>236,753</u>	<u>274,322</u>

LUCKETTS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002**

15. LOANS AND OVERDRAFTS

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

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank loans	<u>18,900</u>	<u>17,801</u>
Amounts falling due between two and five years:		
Bank loans	<u>93,100</u>	<u>86,400</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>143,653</u>	<u>187,922</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank loans	<u>255,653</u>	<u>292,123</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.

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
100,000	£1 Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
10,000	£1 Ordinary	£1	<u>10,000</u>	<u>10,000</u>

18. 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 31ST AUGUST 2002

19. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31st August 2002:

	£
D F Luckett	
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 Luckett	
Balance outstanding at start of year	2,500
Balance outstanding at end of year	5,765
Maximum balance outstanding during year	<u>5,765</u>
I M Luckett	
Balance outstanding at start of year	-
Balance outstanding at end of year	13,598
Maximum balance outstanding during year	<u>13,598</u>

20. 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 Luckett & Co Ltd £	Lucketts Travel Limited £
Profit and loss account		
Rental income	6,400	1,300
Balance sheet		
Debtors	211,107	10,437

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	82,407	84,091
Dividends	(10,000)	(10,000)
Net addition to shareholders' funds	<u>72,407</u>	<u>74,091</u>
Opening shareholders' funds	866,467	792,376
Closing shareholders' funds	<u>938,874</u>	<u>866,467</u>
Equity interests	<u>938,874</u>	<u>866,467</u>

22. 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 2002 amounted to £38,802 (2001-£36,090).