

Company Registration No. 03625708 (England and Wales)

LUCKETTS HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016



3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
United Kingdom
PO6 3TH

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COMPANIES HOUSE

LUCKETTS HOLDINGS LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 34

LUCKETTS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr. I Lockett Mr. D Lockett Mr. S Lockett Mr. A Lawman (Appointed 20 January 2017)
Secretary	Mr. I Lockett
Company number	03625708
Registered office	Broadcut Wallington Fareham Hampshire United Kingdom PO16 8TB
Auditor	tgs taylorcocks 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH
Business address	Broadcut Wallington Fareham Hampshire United Kingdom PO16 8TB

LUCKETTS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present the strategic report for the year ended 31 August 2016.

Principal activities

The principal activity of the company during the year was that of a holding and property investment company. The principal activity of the group was that of coach travel operator and tour operator.

Review of the business

This has been a strong period, but also one which has been impacted by the security incidents on mainland Europe which resulted in lower than expected European travel income. The business has not faced any other unusual risks or uncertainties and the key performance indicators used to determine progress and performance within the group are set out below:-

	2016	2015	2014	2013
	('000)	('000)	('000)	('000)
Turnover	19,924	20,473	20,168	17,454
Gross Profit	4,598	5,068	1,529	4,481
Profit Before Tax	891	1,399	1,481	1,138

The directors are content with the performance and have embarked upon a period of structural change within 2016/17 which will see the business better prepared and able to absorb the likely impacts and uncertainty that will invariably arise over the coming years as the UK moves through the process of exiting Europe.

Principal risks and uncertainties

The group continuously monitors the business and the markets in which it operates, in order to deal with any significant risks or uncertainties arising. The main risk to the group over the coming year will be based on the general impact of the exchange rate in relation to products and supplies needed to operate. By pursuing a policy of careful and regular monitoring of the overall market and competition, the group attempts to minimize the risk in this area.

The group's financial instruments comprise loans, finance leases and cash. The main purpose of these financial instruments is to raise finance for the group's operations. The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from the group's operations.

The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are laid out below:

Interest Rate Risk:

The group finances its operations with cash resources and borrowings in specific situations when the cost is relatively low or beneficial to the group. Interest rate risk is managed by linking the rate payable to the base rate and regularly reviewing market interest rates.

Liquidity Risk:

The group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably.

Environment

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment and utilises current technology within its policies to reduce any damage that may be caused. Initiatives designed to minimize the group's impact on the environment include safe disposal of any product waste, recycling and reducing energy consumption.

LUCKETTS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

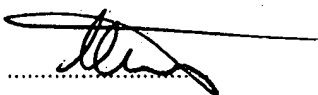
Future developments

The group will continue to invest in providing excellent service, quality and customer experiences and a healthy and safe environment for its employees. It will invest in new and innovative technologies that promote safety and customer service across passenger transportation.

Research and development

The group will continue to commit resources to research and development within its market sector which will enhance the offer to its customer base.

On behalf of the board



Mr. I Lockett

Director

28/4/17

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report and financial statements for the year ended 31 August 2016.

Directors.

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. I Lockett

Mr. D Lockett

Mr. S Lockett

Mr. A Lawman

(Appointed 20 January 2017)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £231,000. The directors do not recommend payment of a further dividend.

Disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Auditor

The auditor, tgs taylorcocks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

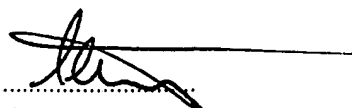
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

Strategic Report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the company's strategic report information and this includes information that would have been included in the business review and the principal risks and uncertainties.

On behalf of the board



Mr. I Lockett

Director

29/4/17

LUCKETTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUCKETTS HOLDINGS LIMITED

We have audited the financial statements of Locketts Holdings Limited for the year ended 31 August 2016 set out on pages 8 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LUCKETTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LUCKETTS HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

taylorcocks

James Blake ACA (Senior Statutory Auditor)
for and on behalf of



taylorcocks

Chartered Accountants
Statutory Auditor

28/4/17

Office: Portsmouth

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2016

		2016	2015
	Notes	£	£
Turnover	3	19,923,793	20,472,869
Cost of sales		(15,325,828)	(15,404,951)
Gross profit		4,597,965	5,067,918
Administrative expenses		(3,505,498)	(3,446,939)
Operating profit	4	1,092,467	1,620,979
Interest receivable and similar income	9	490	426
Interest payable and similar charges	10	(202,383)	(221,981)
Profit before taxation		890,574	1,399,424
Taxation	11	(159,266)	(242,559)
Profit for the financial year		731,308	1,156,865
Other comprehensive income		-	-
Total comprehensive income for the year		731,308	1,156,865

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LUCKETTS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	13		149,738		181,935
Tangible assets	14		13,885,396		13,829,550
			<u>14,035,134</u>		<u>14,011,485</u>
Current assets					
Stocks	19	276,680		348,799	
Debtors	20	1,653,030		1,943,325	
Investments	21	9,020		9,020	
Cash at bank and in hand		1,428,435		856,702	
		<u>3,367,165</u>		<u>3,157,846</u>	
Creditors: amounts falling due within one year	22	(4,415,938)		(4,632,384)	
Net current liabilities			<u>(1,048,773)</u>		<u>(1,497,621)</u>
Total assets less current liabilities			12,986,361		12,513,864
Creditors: amounts falling due after more than one year	23		(5,459,258)		(5,412,320)
Provisions for liabilities	26		(896,199)		(970,948)
Net assets			<u>6,630,904</u>		<u>6,130,596</u>
Capital and reserves					
Called up share capital	27	10,000		10,000	
Profit and loss reserves		6,620,904		6,120,596	
Total equity		<u>6,630,904</u>		<u>6,130,596</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/4/17 and are signed on its behalf by:



Mr. I Lockett
Director

LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	14		490,982		492,595
Investment properties	15		3,250,000		2,168,320
Investments	16		2,891,739		2,891,739
			<u>6,632,721</u>		<u>5,552,654</u>
Current assets					
Debtors	20	267,685		147,440	
Investments	21	9,020		9,020	
Cash at bank and in hand		117,120		180,640	
		<u>393,825</u>		<u>337,100</u>	
Creditors: amounts falling due within one year	22	(3,927,593)		(3,731,802)	
Net current liabilities			(3,533,768)		(3,394,702)
Total assets less current liabilities			<u>3,098,953</u>		<u>2,157,952</u>
Creditors: amounts falling due after more than one year	23		(822,282)		(947,223)
Provisions for liabilities	26		(73,933)		(27,771)
Net assets			<u>2,202,738</u>		<u>1,182,958</u>
Capital and reserves					
Called up share capital	27		10,000		10,000
Revaluation reserve			1,002,346		-
Profit and loss reserves			1,190,392		1,172,958
Total equity			<u>2,202,738</u>		<u>1,182,958</u>

The financial statements were approved by the board of directors and authorised for issue on 28/4/17 and are signed on its behalf by:



Mr. I Lockett
Director

Company Registration No. 03625708

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2014		10,000	5,236,731	5,246,731
Year ended 31 August 2015:				
Profit and total comprehensive income for the year		-	1,156,865	1,156,865
Dividends	12	-	(273,000)	(273,000)
Balance at 31 August 2015		10,000	6,120,596	6,130,596
Year ended 31 August 2016:				
Profit and total comprehensive income for the year		-	731,308	731,308
Dividends	12	-	(231,000)	(231,000)
Balance at 31 August 2016		10,000	6,620,904	6,630,904

LUCKETTS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2014		10,000	-	1,129,843	1,139,843
Year ended 31 August 2015:					
Profit and total comprehensive income for the year		-	-	316,115	316,115
Dividends	12	-	-	(273,000)	(273,000)
Balance at 31 August 2015		10,000	-	1,172,958	1,182,958
Year ended 31 August 2016:					
Profit and total comprehensive income for the year		-	1,002,346	248,434	1,250,780
Dividends	12	-	-	(231,000)	(231,000)
Balance at 31 August 2016		10,000	1,002,346	1,190,392	2,202,738

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	3,402,252		3,418,703	
Interest paid		(202,383)		(221,981)	
Income taxes paid		(307,972)		(309,155)	
Net cash inflow from operating activities		2,891,897		2,887,567	
Investing activities					
Purchase of tangible fixed assets		(188,798)		(241,305)	
Proceeds on disposal of tangible fixed assets		744,578		142,601	
Dividends received		490		426	
Net cash generated from/(used in) investing activities		556,270		(98,278)	
Financing activities					
Proceeds of new bank loans		-		83,824	
Repayment of bank loans		(438,235)		(366,054)	
Payment of finance leases obligations		(2,207,199)		(2,073,523)	
Dividends paid to equity shareholders		(231,000)		(273,000)	
Net cash used in financing activities		(2,876,434)		(2,628,753)	
Net increase in cash and cash equivalents		571,733		160,536	
Cash and cash equivalents at beginning of year		856,702		696,166	
Cash and cash equivalents at end of year		1,428,435		856,702	

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

Lucketts Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Broadcut, Wallington, Fareham, Hampshire, United Kingdom, PO16 8TB.

The group consists of Lucketts Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 August 2016 are the first financial statements of Lucketts Holdings Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 32.

The company is a qualifying entity for the purposes of FRS 102, being the parent of a group where the group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Locketts Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Turnover

Turnover represents income from coach hire, maintenance services and tour operations provided during the year, excluding value added tax. Turnover is recognised on the departure date of completed tours, contract hire, or in respect of services provided under contractual arrangements turnover is recognised as a proportion of total services to be provided.

1.4 Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	10% straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% straight line
Plant and machinery	10-25% reducing balance
Fixtures, fittings & equipment	15-50% reducing balance
Computer equipment	25-50% reducing balance
Motor vehicles	10-50% reducing balance and 12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, where cost is measured as the most recent purchase price.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.13 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic life of coaches

The tangible fixed assets of the group include coaches that have different estimated useful economic lives. The directors use judgements based on historical experience in the industry to determine an appropriate useful economic life for each coach held. When calculating the useful economic life the directors consider the category of work that the coach is intended for and the expected wear and tear that this is to have on the vehicle. The residual value of each coach after its expected useful life is also considered within this estimation given the directors' intention to sell the coaches at the end of their useful economic life.

LUCKETTS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2016****3 Turnover and other revenue**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2016	2015
	£	£
Turnover	19,923,793	20,472,869

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	750,793	816,364
Depreciation of tangible fixed assets held under finance leases	1,188,414	1,018,399
(Profit)/loss on disposal of tangible fixed assets	(53,754)	82,673
Amortisation of intangible assets	32,197	37,197
Operating lease charges	60,545	54,284

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the company's subsidiaries	14,000	16,500
	16,500	19,000

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Number of administrative staff	30	24	-	-
Number of management staff	5	9	-	-
Number of operations staff	21	21	-	-
Number of coach drivers	230	232	-	-
Number of workshop staff	22	22	-	-
	<u>308</u>	<u>308</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	7,055,885	6,634,879	-	-
Social security costs	622,724	559,705	-	-
Pension costs	176,532	173,629	-	-
	<u>7,855,141</u>	<u>7,368,213</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	151,345	146,744
Company pension contributions to defined contribution schemes	109,600	109,600
	<u>260,945</u>	<u>256,344</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	176,532	173,629

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

9 Interest receivable and similar income

	2016	2015
	£	£
Other income from investments		
Dividends received	490	426

10 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	369	18,786
Interest on finance leases and hire purchase contracts	200,799	201,336
	201,168	220,122
Other finance costs:		
Other interest	1,215	1,859
Total finance costs	202,383	221,981

11 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	234,015	307,972
Adjustments in respect of prior periods	-	(751)
Total current tax	234,015	307,221

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Taxation	(Continued)	
Deferred tax		
Origination and reversal of timing differences	(32,568)	(10,502)
Changes in tax rates	(45,260)	(54,160)
Adjustment in respect of prior periods	3,079	-
Total deferred tax	(74,749)	(64,662)
Total tax charge	159,266	242,559

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	890,574	1,399,424
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.58%)	178,115	288,001
Tax effect of expenses that are not deductible in determining taxable profit	16,992	9,271
Tax effect of income not taxable in determining taxable profit	(98)	(88)
Effect of change in corporation tax rate	(45,259)	(53,395)
Amortisation on assets not qualifying for tax allowances	6,439	-
Under/(over) provided in prior years	-	(751)
Deferred tax adjustments in respect of prior years	3,077	(479)
Tax expense for the year	159,266	242,559

12 Dividends	2016 £	2015 £
Final paid	231,000	273,000

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 September 2015 and 31 August 2016	361,973
Amortisation and impairment	
At 1 September 2015	180,038
Amortisation charged for the year	32,197
At 31 August 2016	212,235
Carrying amount	
At 31 August 2016	149,738
At 31 August 2015	181,935

The company had no intangible fixed assets at 31 August 2016 or 31 August 2015.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	2,815,723	441,565	307,439	124,180	20,396,162	24,085,069
Additions	-	77,693	15,500	43,573	2,549,114	2,685,880
Disposals	-	(928)	-	-	(2,856,975)	(2,857,903)
At 31 August 2016	2,815,723	518,330	322,939	167,753	20,088,301	23,913,046
Depreciation and impairment						
At 1 September 2015	78,881	302,630	241,072	107,483	9,525,456	10,255,522
Depreciation charged in the year	17,256	33,821	15,851	11,470	1,860,809	1,939,207
Eliminated in respect of disposals	-	(333)	-	-	(2,166,746)	(2,167,079)
At 31 August 2016	96,137	336,118	256,923	118,953	9,219,519	10,027,650
Carrying amount						
At 31 August 2016	2,719,586	182,212	66,016	48,800	10,868,782	13,885,396
At 31 August 2015	2,736,843	138,896	66,369	16,736	10,870,706	13,829,550

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Company	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2015 and 31 August 2016	468,924	19,711	22,000	510,635
Depreciation and impairment				
At 1 September 2015	1,116	16,925	-	18,041
Depreciation charged in the year	1,612	-	-	1,612
At 31 August 2016	2,728	16,925	-	19,653
Carrying amount				
At 31 August 2016	466,196	2,786	22,000	490,982
At 31 August 2015	467,809	2,786	22,000	492,595

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2016	2015	Company 2016	2015
	£	£	£	£
Plant and machinery	11,602	15,469	-	-
Motor vehicles	8,556,346	6,944,299	-	-
	8,567,948	6,959,768	-	-
Depreciation charge for the year in respect of leased assets	1,188,414	1,018,399	-	-

15 Investment property

	Group 2016	Company 2016
	£	£
Fair value		
At 1 September 2015	-	2,168,320
Net gains or losses through fair value adjustments	-	1,081,680
At 31 August 2016	-	3,250,000

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Investment property

(Continued)

Investment property comprises land and buildings which is leased within the group. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 25 May 2016 by Daniells Harrison Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	17	-	-	2,891,739	2,891,739

17 Subsidiaries

Details of the company's subsidiaries at 31 August 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
H. Lockett & Co Limited	UK	Coach operation	Ordinary	100.00	
Coliseum Coaches Limited	UK	Coach operation	Ordinary	100.00	
Worthing Coaches Limited	UK	Coach operation	Ordinary	100.00	
Locketts Travel Limited	UK	Coach operation	Ordinary	100.00	
Coachman Limited	UK	Dormant	Ordinary	100.00	
Locketts Services Limited	UK	Dormant	Ordinary	100.00	

18 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,073,969	1,538,279	239,635	117,315
Equity instruments measured at cost less impairment	9,020	9,020	9,020	9,020
Carrying amount of financial liabilities				
Measured at amortised cost	9,462,684	9,624,152	4,698,731	4,611,104

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	276,680	348,799	-	-

20 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	1,069,263	1,534,245	-	-
Amount due from group undertakings	-	-	239,635	117,315
Other debtors	263,607	90,888	-	-
Prepayments and accrued income	320,160	341,275	28,050	30,125
	1,653,030	1,966,408	267,685	147,440

21 Current asset investments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Listed investments	9,020	9,020	9,020	9,020

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Creditors: amounts falling due within one year

		Group		Company	
		2016	2015	2016	2015
	Notes	£	£	£	£
Bank loans and overdrafts	24	251,927	383,470	121,147	132,260
Obligations under hire purchase contracts	25	1,802,911	1,866,658	-	-
Payments received on account		952,870	934,209	-	-
Trade creditors		555,711	598,966	24,666	28,332
Amounts due to group undertakings		-	-	3,650,719	3,445,021
Corporation tax payable		234,015	307,972	50,232	66,780
Other taxation and social security		178,497	135,663	912	1,141
Other creditors		88,395	93,862	29,911	48,454
Accruals and deferred income		351,612	334,667	50,006	9,814
		<u>4,415,938</u>	<u>4,655,467</u>	<u>3,927,593</u>	<u>3,731,802</u>

The bank loans are secured by charges over the freehold land and property of the group and a floating charge over the assets of the group. The hire purchase agreements are secured on the assets to which they relate.

23 Creditors: amounts falling due after more than one year

		Group		Company	
		2016	2015	2016	2015
	Notes	£	£	£	£
Bank loans and overdrafts	24	830,808	1,137,500	822,282	947,223
Obligations under hire purchase contracts	25	4,628,450	4,274,820	-	-
		<u>5,459,258</u>	<u>5,412,320</u>	<u>822,282</u>	<u>947,223</u>

The bank loans are secured by charges over the freehold land and property of the group and a floating charge over the assets of the group. The hire purchase agreements are secured on the assets to which they relate.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	1,082,735	1,520,970	943,429	1,079,483
Payable within one year	251,927	383,470	121,147	132,260
Payable after one year	830,808	1,137,500	822,282	947,223

The long-term loans are secured by charges over the freehold land and property of the group and a floating charge over the assets of the group.

The bank loans are repaid on a monthly basis and accrue interest at rates between 2% fixed and the Bank of England base rate plus 2.75%.

Of the amounts shown within bank loans as falling due in greater than one year £307,049 (2015 - £247,601) is due in greater than five years.

25 Hire purchase obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under hire purchase contracts:				
Within one year	1,802,911	1,866,658	-	-
In two to five years	4,083,171	3,945,631	-	-
In over five years	545,279	329,189	-	-
	6,431,361	6,141,478	-	-

Hire purchase payments represent rentals payable by the company or group for certain items of plant and machinery and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is seven years. All leases are on a fixed monthly repayment basis at interest rates between 2% fixed and the Bank of England base rate plus 2.5%, and no arrangements have been entered into for contingent rental payments.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

26 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Fixed asset timing differences	896,199	970,948
	<u>896,199</u>	<u>970,948</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Fixed asset timing differences	(5,401)	27,771
Investment property	79,334	-
	<u>73,933</u>	<u>27,771</u>
	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 September 2015	970,948	27,771
Charge to profit or loss	(74,749)	46,162
	<u>896,199</u>	<u>73,933</u>
Liability at 31 August 2016	896,199	73,933

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

27 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
4,000 Ordinary shares of £1 each	4,000	4,000
	<u> </u>	<u> </u>
Preference share capital		
Issued and fully paid		
6,000 Preference shares of £1 each	6,000	6,000
	<u> </u>	<u> </u>

The company has one class of ordinary shares which entitle the holders to full voting rights, full entitlement in respect of dividends and on winding up. Additionally, the company has in issue 6,000 preference shares which entitle the holders to full voting rights, full entitlement in respect of dividends and on winding up. The preference share holders are entitled to dividends in priority to the ordinary shareholders.

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	88,727	54,908	-	-
Between two and five years	338,667	211,947	-	-
In over five years	30,333	82,333	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	457,727	349,188	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

29 Directors' transactions

The directors together maintain a loan account with the group. At the year end the group owed the directors together £29,911 (2015 - £48,454).

30 Controlling party

The company was under the control of the directors throughout the current and preceding year, by virtue of their majority shareholding in the company.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

31 Cash generated from group operations

	2016	2015
	£	£
Profit for the year after tax	731,308	1,156,865
Adjustments for:		
Taxation charged	159,266	242,559
Finance costs	202,383	221,981
Investment income	(490)	(426)
(Gain)/loss on disposal of tangible fixed assets	(53,754)	82,673
Amortisation and impairment of intangible assets	32,197	37,197
Depreciation and impairment of tangible fixed assets	1,939,207	1,834,763
Movements in working capital:		
Decrease/(increase) in stocks	72,119	(84,339)
Decrease/(increase) in debtors	317,807	(20,992)
Increase/(decrease) in creditors	2,209	(51,578)
Cash generated from operations	3,402,252	3,418,703

32 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	1 September 2014	31 August 2015
	£	£
Equity as reported under previous UK GAAP and under FRS 102	5,246,732	6,130,596

Reconciliation of group profit for the financial period

	2015
	£
Profit as reported under previous UK GAAP and under FRS 102	1,156,865

Notes to reconciliations on adoption of FRS 102 - group

Investment property

Under FRS 102 the property in Locketts Holdings Limited is not classed as an investment property within the consolidated accounts, and therefore there is no adjustment to the previously reported figures for the group.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

32 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity - company

	1 September 2014	31 August 2015
Notes	£	£
Equity as reported under previous UK GAAP	1,077,722	1,105,193
Adjustments arising from transition to FRS 102:		
Depreciation charged on freehold property	62,121	77,765
Equity reported under FRS 102	<u>1,139,843</u>	<u>1,182,958</u>

Reconciliation of company profit for the financial period

Notes	2015 £
Profit as reported under previous UK GAAP	300,471
Adjustments arising from transition to FRS 102:	
Depreciation charged on freehold property	15,644
Profit reported under FRS 102	<u>316,115</u>

Notes to reconciliations on adoption of FRS 102 - company

Investment property

The company holds property which is leased within the group under an operating lease. Under FRS 102 this has been transferred to investment property.