

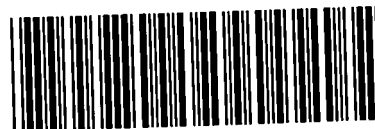
Company Registration No. 03625708 (England and Wales)

LUCKETTS HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2017

taylorcocks

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

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11/05/2018
COMPANIES HOUSE

LUCKETTS HOLDINGS LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2 - 3
Directors' report	4 - 5
Directors' responsibilities statement	6
Independent auditor's report	7 - 8
Statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11 - 12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 36

LUCKETTS HOLDINGS LIMITED

COMPANY INFORMATION

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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The directors present the strategic report for the year ended 31 August 2017.

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 an extremely strong year and whilst uncertainty remains a principal risk in passenger transport and this continues to be impacted by Brexit and the ongoing security incidents across Europe, the business has regained its momentum and seen both profits and turnover increase in line with expectations. The business has now embarked on a period of growth which will see a number of strategic acquisitions over the next few years and recent structural changes have been implemented to support this. 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:-

	2017	2016	2015	2014
	('000)	('000)	('000)	('000)
Turnover	20,298	19,924	20,473	20,168
Gross Profit	4,868	4,598	5,068	1,529
Profit Before Tax	1,472	891	1,399	1,481

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 2017

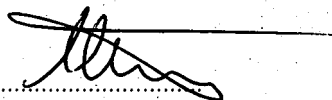
Future developments

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. J Lockett

Director

2/5/18

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their annual report and financial statements for the year ended 31 August 2017.

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 9.

Ordinary dividends were paid amounting to £243,000. 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, Taylorcocks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

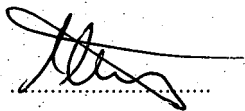
The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the company's strategic report information and this includes information that would have been included in the business review and the principal risks and uncertainties.

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

On behalf of the board



Mr. I Lockett

Director

215/18

LUCKETTS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 2017 set out on pages 9 to 36. 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 page 6, 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 2017 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

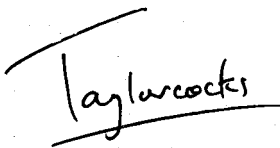
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.



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

taylorcocks

Chartered Accountants
Statutory Auditor

9/5/2018

Office: Portsmouth

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2016 £
Turnover	3	20,297,870	19,923,792
Cost of sales		(15,430,106)	(15,325,828)
Gross profit		4,867,764	4,597,964
Administrative expenses		(3,220,529)	(3,474,555)
Operating profit	5	1,647,235	1,123,409
Interest receivable and similar income	9	549	490
Interest payable and similar expenses	8	(175,593)	(233,325)
Profit before taxation		1,472,191	890,574
Taxation	10	(193,536)	(159,266)
Profit for the financial year		1,278,655	731,308
Other comprehensive income		-	-
Total comprehensive income for the year		1,278,655	731,308

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.

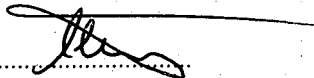
LUCKETTS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
Fixed assets			
Goodwill	12	121,041	149,738
Tangible assets	13	14,147,856	13,885,398
		<u>14,268,897</u>	<u>14,035,136</u>
Current assets			
Stocks	17	253,857	276,680
Debtors	18	2,266,395	1,653,028
Investments	19	9,020	9,020
Cash at bank and in hand		1,549,285	1,428,435
		<u>4,078,557</u>	<u>3,367,163</u>
Creditors: amounts falling due within one year	20	<u>(4,596,623)</u>	<u>(4,415,938)</u>
Net current liabilities		<u>(518,066)</u>	<u>(1,048,775)</u>
Total assets less current liabilities		<u>13,750,831</u>	<u>12,986,361</u>
Creditors: amounts falling due after more than one year	21	(5,235,694)	(5,459,258)
Provisions for liabilities	25	(848,578)	(896,199)
Net assets		<u>7,666,559</u>	<u>6,630,904</u>
Capital and reserves			
Called up share capital	27	10,000	10,000
Profit and loss reserves		7,656,559	6,620,904
Total equity		<u>7,666,559</u>	<u>6,630,904</u>

The financial statements were approved by the board of directors and authorised for issue on 2/5/2018 and are signed on its behalf by:



 Mr. I Lockett
 Director

The notes on pages 16 to 36 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	13	488,484	490,982
Investment properties	14	3,250,000	3,250,000
Investments	15	2,891,739	2,891,739
		<u>6,630,223</u>	<u>6,632,721</u>
Current assets			
Debtors	18	268,387	267,685
Investments	19	9,020	9,020
Cash at bank and in hand		107,703	117,120
		<u>385,110</u>	<u>393,825</u>
Creditors: amounts falling due within one year	20	<u>(4,210,392)</u>	<u>(3,927,593)</u>
Net current liabilities		<u>(3,825,282)</u>	<u>(3,533,768)</u>
Total assets less current liabilities		<u>2,804,941</u>	<u>3,098,953</u>
Creditors: amounts falling due after more than one year	21	(509,310)	(822,282)
Provisions for liabilities	25	(44,164)	(73,933)
Net assets		<u>2,251,467</u>	<u>2,202,738</u>
Capital and reserves			
Called up share capital	27	10,000	10,000
Revaluation reserve		1,029,429	1,002,346
Profit and loss reserves		1,212,038	1,190,392
Total equity		<u>2,251,467</u>	<u>2,202,738</u>

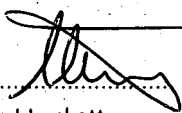
LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2017

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £264,646 (2016 - £248,434 profit).

The financial statements were approved by the board of directors and authorised for issue on 2/5/18 and are signed on its behalf by:


.....
Mr. I Lockett
Director

Company Registration No. 03625708

The notes on pages 16 to 36 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 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	11	-	(231,000)	(231,000)
Balance at 31 August 2016		10,000	6,620,904	6,630,904
Year ended 31 August 2017:				
Profit and total comprehensive income for the year		-	1,278,655	1,278,655
Dividends	11	-	(243,000)	(243,000)
Balance at 31 August 2017		10,000	7,656,559	7,666,559

The notes on pages 16 to 36 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2015		10,000	-	1,172,958	1,182,958
Year ended 31 August 2016:					
Profit for the year		-	-	248,434	248,434
Revaluation of investment property		-	1,081,680	-	1,081,680
Deferred tax on investment property		-	(79,334)	-	(79,334)
Total comprehensive income for the year		-	1,002,346	248,434	1,250,780
Dividends	11	-	-	(231,000)	(231,000)
Balance at 31 August 2016		10,000	1,002,346	1,190,392	2,202,738
Year ended 31 August 2017:					
Profit for the year		-	-	264,646	264,646
Deferred tax on investment property		-	27,083	-	27,083
Total comprehensive income for the year		-	27,083	264,646	291,729
Dividends	11	-	-	(243,000)	(243,000)
Balance at 31 August 2017		10,000	1,029,429	1,212,038	2,251,467

The notes on pages 16 to 36 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	2,784,329	3,433,194
Interest paid		(175,593)	(233,325)
Income taxes paid		(234,015)	(307,972)
Net cash inflow from operating activities		<u>2,374,721</u>	<u>2,891,897</u>
Investing activities			
Purchase of tangible fixed assets		(203,259)	(188,798)
Proceeds on disposal of tangible fixed assets		648,500	744,578
Dividends received		549	490
Net cash generated from investing activities		<u>445,790</u>	<u>556,270</u>
Financing activities			
Repayment of bank loans		(481,697)	(438,235)
Payment of hire purchase obligations		(1,974,964)	(2,207,199)
Dividends paid to equity shareholders		(243,000)	(231,000)
Net cash used in financing activities		<u>(2,699,661)</u>	<u>(2,876,434)</u>
Net increase in cash and cash equivalents		<u>120,850</u>	<u>571,733</u>
Cash and cash equivalents at beginning of year		1,428,435	856,702
Cash and cash equivalents at end of year		<u><u>1,549,285</u></u>	<u><u>1,428,435</u></u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 2017

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 Lucketts 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 2017. 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.

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 comprise fuel and workshop materials used in operating and maintaining the fleet of vehicles. Stocks are valued at cost less impairment, where cost is measured at the most recent purchase price.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017

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.

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 2017

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.

	2017	2016
	£	£
Turnover	20,297,870	19,923,792

4 Auditor's remuneration

	2017	2016
	£	£
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 financial statements of the company's subsidiaries	13,000	14,000
	<u>15,500</u>	<u>16,500</u>

5 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	451,636	750,793
Depreciation of tangible fixed assets held under hire purchase contracts	1,314,651	1,188,414
Profit on disposal of tangible fixed assets	(443,896)	(53,754)
Amortisation of intangible assets	28,697	32,197
Operating lease charges	88,767	60,545
	<u>88,767</u>	<u>60,545</u>

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	259,363	151,345
Company pension contributions to defined contribution schemes	99,967	109,600
	<u>359,330</u>	<u>260,945</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017	2016
	£	£
Remuneration for qualifying services	116,667	51,398

7 Employees

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

	Group	2016	Company	2016
	2017	Number	2017	Number
	Number		Number	
Number of administrative staff	30	30	-	-
Number of management staff	6	5	4	3
Number of operations staff	23	21	-	-
Number of coach drivers	228	230	-	-
Number of workshop staff	21	22	-	-
	<u>308</u>	<u>308</u>	<u>4</u>	<u>3</u>

Their aggregate remuneration comprised:

	Group	2016	Company	2016
	2017	£	2017	£
	£		£	
Wages and salaries	7,170,624	7,055,885	-	-
Social security costs	646,147	622,724	-	-
Pension costs	175,970	176,532	-	-
	<u>7,992,741</u>	<u>7,855,141</u>	<u>-</u>	<u>-</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	17,476	31,311
Interest on hire purchase contracts	157,628	200,799
	<u>175,104</u>	<u>232,110</u>
Other finance costs:		
Other interest	489	1,215
	<u>175,593</u>	<u>233,325</u>

9 Interest receivable and similar income

	2017	2016
	£	£
Other income from investments		
Dividends received	549	490
	<u>549</u>	<u>490</u>

10 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	241,157	234,015
	<u>241,157</u>	<u>234,015</u>
Deferred tax		
Origination and reversal of timing differences	52,211	(32,568)
Changes in tax rates	(99,832)	(45,260)
Adjustment in respect of prior periods	-	3,079
	<u>(47,621)</u>	<u>(74,749)</u>
Total deferred tax	<u>(47,621)</u>	<u>(74,749)</u>
Total tax charge	<u>193,536</u>	<u>159,266</u>

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Taxation

(Continued)

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:

	2017	2016
	£	£
Profit before taxation	1,472,191	890,574
Expected tax charge based on the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%)	288,255	178,115
Tax effect of expenses that are not deductible in determining taxable profit	6,126	16,992
Tax effect of income not taxable in determining taxable profit	(107)	(98)
Effect of change in corporation tax rate	(101,646)	(45,259)
Amortisation on assets not qualifying for tax allowances	5,618	6,439
Deferred tax adjustments in respect of prior years	(4,710)	3,077
Taxation charge for the year	193,536	159,266

11 Dividends

	2017	2016
	£	£
Final paid	243,000	231,000

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 September 2016 and 31 August 2017	361,973
Amortisation and impairment	
At 1 September 2016	212,235
Amortisation charged for the year	28,697
At 31 August 2017	240,932

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Intangible fixed assets

(Continued)

Carrying amount

At 31 August 2017

121,041

At 31 August 2016

149,738

The company had no intangible fixed assets at 31 August 2017 or 31 August 2016.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2016	2,815,723	518,330	322,939	167,753	20,088,301	23,913,046
Additions	-	18,929	6,973	26,885	2,180,561	2,233,348
Disposals	-	-	-	-	(1,914,046)	(1,914,046)
At 31 August 2017	2,815,723	537,259	329,912	194,638	20,354,816	24,232,348
Depreciation and impairment						
At 1 September 2016	96,136	336,118	256,922	118,953	9,219,518	10,027,647
Depreciation charged in the year	17,255	46,278	14,595	14,831	1,673,328	1,766,287
Eliminated in respect of disposals	-	-	-	-	(1,709,442)	(1,709,442)
At 31 August 2017	113,391	382,396	271,517	133,784	9,183,404	10,084,492
Carrying amount						
At 31 August 2017	2,702,332	154,863	58,395	60,854	11,171,412	14,147,856
At 31 August 2016	2,719,586	182,212	66,017	48,800	10,868,783	13,885,398

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Company	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2016 and 31 August 2017	468,924	19,711	22,000	510,635
Depreciation and impairment				
At 1 September 2016	2,727	16,925	-	19,652
Depreciation charged in the year	1,612	887	-	2,499
At 31 August 2017	4,339	17,812	-	22,151
Carrying amount				
At 31 August 2017	464,585	1,899	22,000	488,484
At 31 August 2016	466,196	2,786	22,000	490,982

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

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Plant and machinery	-	11,602	-	-
Motor vehicles	8,481,716	8,556,346	-	-
	8,481,716	8,567,948	-	-
Depreciation charge for the year in respect of leased assets	1,314,651	1,188,414	-	-

14 Investment property

	Group 2017	Company 2017
	£	£
Fair value		
At 1 September 2016 and 31 August 2017	-	3,250,000

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 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.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cost	-	-	2,168,320	2,168,320
Accumulated depreciation	-	-	(109,051)	(93,408)
Carrying amount	-	-	2,059,269	2,074,912

15 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	2,891,739	2,891,739

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 September 2016 and 31 August 2017	2,891,739
Carrying amount	
At 31 August 2017	2,891,739
At 31 August 2016	2,891,739

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Subsidiaries

Details of the company's subsidiaries at 31 August 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Coachman Limited	Broadcut, Wallington, Fareham, PO16 8TB	Dormant	Ordinary	100.00	
Coliseum Coaches Limited	as above	Coach operation	Ordinary	100.00	
H. Lockett & Co Limited	as above	Coach operation	Ordinary	100.00	
Locketts Services Limited	as above	Dormant	Ordinary	100.00	
Locketts Travel Limited	as above	Coach operation	Ordinary	100.00	
Worthing Coaches Limited	as above	Coach operation	Ordinary	100.00	

17 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Fuel and workshop materials	253,857	276,680	-	-

18 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	1,439,891	1,069,261	-	-
Amount due from group undertakings	-	-	241,235	239,635
Other debtors	420,151	263,607	-	-
Prepayments and accrued income	406,353	320,160	27,152	28,050
	2,266,395	1,653,028	268,387	267,685

19 Current asset investments

	Group 2017 £	2016 £	Company 2017 £	2016 £
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 2017

20 Creditors: amounts falling due within one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Bank loans	23	91,728	251,927	83,209	121,147
Obligations under hire purchase contracts	24	1,760,102	1,802,911	-	-
Payments received on account		1,012,868	952,870	-	-
Trade creditors		845,788	555,711	24,530	24,666
Amounts due to group undertakings		-	-	4,047,542	3,650,719
Corporation tax payable		241,157	234,015	32,135	50,232
Other taxation and social security		190,130	178,497	1,988	912
Other creditors		110,224	88,395	11,074	29,911
Accruals and deferred income		344,626	351,612	9,914	50,006
		<u>4,596,623</u>	<u>4,415,938</u>	<u>4,210,392</u>	<u>3,927,593</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.

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	23	509,310	830,808	509,310	822,282
Obligations under hire purchase contracts	24	4,726,384	4,628,450	-	-
		<u>5,235,694</u>	<u>5,459,258</u>	<u>509,310</u>	<u>822,282</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 2017

22 Financial instruments

Included within the amounts shown as Debtors and Creditors above are financial assets and financial liabilities, the classification of which are further analysed below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,444,860	1,073,967	241,235	239,635
Equity instruments measured at cost less impairment	9,020	9,020	9,020	9,020
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	9,401,030	9,462,684	4,685,579	4,698,731
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Loans and overdrafts

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	601,038	1,082,735	592,519	943,429
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	91,728	251,927	83,209	121,147
Payable after one year	509,310	830,808	509,310	822,282
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 £227,772 (2016 - £307,049) is due in greater than five years.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Hire purchase obligations

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Future minimum lease payments due under hire purchase contracts:				
Within one year	1,760,102	1,802,911	-	-
In two to five years	4,120,465	4,083,171	-	-
In over five years	605,919	545,279	-	-
	<u>6,486,486</u>	<u>6,431,361</u>	<u>-</u>	<u>-</u>

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.

25 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:

Group	Liabilities	Liabilities
	2017	2016
	£	£
Fixed asset timing differences	848,578	896,199
	<u>848,578</u>	<u>896,199</u>
Company	Liabilities	Liabilities
	2017	2016
	£	£
Fixed asset timing differences	(8,087)	(5,401)
Investment property	52,251	79,334
	<u>44,164</u>	<u>73,933</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

25 Deferred taxation

(Continued)

	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 September 2016	896,199	73,933
Credit to profit or loss	(47,621)	(29,769)
Liability at 31 August 2017	<u>848,578</u>	<u>44,164</u>

26 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>175,970</u>	<u>176,532</u>

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.

27 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>
Preference share capital		
Issued and fully paid		
6,000 Preference shares of £1 each	<u>6,000</u>	<u>6,000</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.

LUCKETTS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****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	
	2017	2016	2017	2016
	£	£	£	£
Within one year	89,949	88,727	-	-
Between two and five years	284,305	338,667	-	-
In over five years	-	30,333	-	-
	<u>374,254</u>	<u>457,727</u>	<u>-</u>	<u>-</u>

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Acquisition of tangible fixed assets	<u>2,638,921</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 Related party transactions

Key management personnel comprises the directors. Details of remuneration is disclosed within note 6.

31 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 2017

32 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	1,278,655	731,308
Adjustments for:		
Taxation charged	193,536	159,266
Finance costs	175,593	233,325
Investment income	(549)	(490)
Gain on disposal of tangible fixed assets	(443,896)	(53,754)
Amortisation and impairment of intangible assets	28,697	32,197
Depreciation and impairment of tangible fixed assets	1,766,287	1,939,207
Movements in working capital:		
Decrease in stocks	22,823	72,119
(Increase)/decrease in debtors	(613,657)	317,809
Increase in creditors	376,840	2,207
Cash generated from operations	2,784,329	3,433,194