

Company Registration No. 03625708 (England and Wales)

LUCKETTS HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2018



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



LUCKETTS HOLDINGS LIMITED

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LUCKETTS HOLDINGS LIMITED

COMPANY INFORMATION

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

LUCKETTS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present the strategic report for the year ended 31 August 2018.

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 another very positive year where the focus has been primarily based around acquisitions and the revenue growth which requires short term investment, and therefore has impacted on margins. The completion of two strategic acquisitions, and recent structural changes mean the group is now well positioned to capitalise on future opportunities for growth delivered through further acquisitions. 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:-

	2018	2017	2016	2015
	('000)	('000)	('000)	('000)
Turnover	22,138	20,298	19,924	20,473
Gross Profit	5,058	4,868	4,598	5,068
Profit Before Tax	826	1,472	891	1,399
EBITDA	3,530	3,442	3,095	3,493

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 2018

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

20/5/2019

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their annual report and financial statements for the year ended 31 August 2018.

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

Results and dividends

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

Ordinary dividends were paid amounting to £537,750. 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.

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 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 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

20/5/2019

LUCKETTS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 set out on pages 8 to 37. 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 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 2018 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 FCA (Senior Statutory Auditor)

for and on behalf of



Chartered Accountants

Statutory Auditor

23/5/2019

Office: Portsmouth

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

		2018	2017
	Notes	£	£
Turnover	3	22,138,169	20,297,870
Cost of sales		(17,106,291)	(15,430,106)
Gross profit		5,031,878	4,867,764
Administrative expenses		(3,944,307)	(3,220,529)
Operating profit	5	1,087,571	1,647,235
Interest receivable and similar income	9	646	549
Interest payable and similar expenses	8	(261,965)	(175,593)
Profit before taxation		826,252	1,472,191
Taxation	10	(76,513)	(193,536)
Profit for the financial year		749,739	1,278,655
Other comprehensive income		-	-
Total comprehensive income for the year		749,739	1,278,655

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 2018

	Notes	2018 £	2017 £
Fixed assets			
Goodwill	12	1,133,241	121,041
Tangible assets	13	20,923,344	14,147,856
		<u>22,056,585</u>	<u>14,268,897</u>
Current assets			
Stocks	17	436,165	253,857
Debtors	18	2,690,511	2,266,395
Investments	19	9,020	9,020
Cash at bank and in hand		1,391,041	1,549,285
		<u>4,526,737</u>	<u>4,078,557</u>
Creditors: amounts falling due within one year	20	<u>(7,717,430)</u>	<u>(4,596,623)</u>
Net current liabilities		<u>(3,190,693)</u>	<u>(518,066)</u>
Total assets less current liabilities		<u>18,865,892</u>	<u>13,750,831</u>
Creditors: amounts falling due after more than one year	21	(9,790,466)	(5,235,694)
Provisions for liabilities	25	<u>(1,196,878)</u>	<u>(848,578)</u>
Net assets		<u><u>7,878,548</u></u>	<u><u>7,666,559</u></u>
Capital and reserves			
Called up share capital	27	10,000	10,000
Profit and loss reserves		<u>7,868,548</u>	<u>7,656,559</u>
Total equity		<u><u>7,878,548</u></u>	<u><u>7,666,559</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20/5/2019 and are signed on its behalf by:



Mr. I Lockett
Director

The notes on pages 15 to 37 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13	492,373		488,484	
Investment properties	14	3,250,000		3,250,000	
Investments	15	6,140,806		2,891,739	
		9,883,179		6,630,223	
Current assets					
Debtors	18	469,001		268,387	
Investments	19	9,020		9,020	
Cash at bank and in hand		178,766		107,703	
		656,787		385,110	
Creditors: amounts falling due within one year	20	(8,092,062)		(4,210,392)	
Net current liabilities		(7,435,275)		(3,825,282)	
Total assets less current liabilities		2,447,904		2,804,941	
Creditors: amounts falling due after more than one year	21	(420,254)		(509,310)	
Provisions for liabilities	25	(38,963)		(44,164)	
Net assets		1,988,687		2,251,467	
Capital and reserves					
Called up share capital	27	10,000		10,000	
Revaluation reserve		1,035,640		1,029,429	
Profit and loss reserves		943,047		1,212,038	
Total equity		1,988,687		2,251,467	

LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2018

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 £268,759 (2017 - £264,646 profit).

The financial statements were approved by the board of directors and authorised for issue on 20/5/2019 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 2018

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 September 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
Year ended 31 August 2018:				
Profit and total comprehensive income for the year		-	749,739	749,739
Dividends	11	-	(537,750)	(537,750)
Balance at 31 August 2018		10,000	7,868,548	7,878,548

LUCKETTS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 September 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
Year ended 31 August 2018:					
Profit for the year		-	-	268,759	268,759
Deferred tax on investment property		-	6,211	-	6,211
Total comprehensive income for the year		-	6,211	268,759	274,970
Dividends	11	-	-	(537,750)	(537,750)
Balance at 31 August 2018		10,000	1,035,640	943,047	1,988,687

The notes on pages 15 to 37 form part of these financial statements

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	33	3,251,785		2,784,329	
Interest paid		(261,965)		(175,593)	
Income taxes paid		(186,287)		(234,015)	
Net cash inflow from operating activities		2,803,533		2,374,721	
Investing activities					
Purchase of subsidiaries		(2,417,310)		-	
Purchase of tangible fixed assets		(608,164)		(203,259)	
Proceeds on disposal of tangible fixed assets		539,501		648,500	
Dividends received		646		549	
Net cash (used in)/generated from investing activities		(2,485,327)		445,790	
Financing activities					
Proceeds of new bank loans		3,000,000		-	
Repayment of bank loans		(2,160,565)		(481,697)	
Proceeds from refinanced assets		1,540,250		-	
Payment of finance leases obligations		(2,318,385)		(1,974,964)	
Dividends paid to equity shareholders		(537,750)		(243,000)	
Net cash used in financing activities		(476,450)		(2,699,661)	
Net (decrease)/increase in cash and cash equivalents		(158,244)		120,850	
Cash and cash equivalents at beginning of year		1,549,285		1,428,435	
Cash and cash equivalents at end of year		1,391,041		1,549,285	

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 2018. 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	Accounting policies	(Continued)
1.3	Going concern	At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.
1.4	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.
1.5	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:
1.6	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.
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
1.7	Investment properties	Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.
Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.		

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 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.

1.11 Cash and cash equivalents

Cash at bank and in hand 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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.12 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.

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.13 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.

1.14 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.

1.15 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.

1.16 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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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.

	2018	2017
	£	£
Turnover	22,138,169	20,297,870

4 Auditor's remuneration

	2018	2017
	£	£
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	19,000	13,000
	21,500	15,500

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	191,830	451,636
Depreciation of tangible fixed assets held under hire purchase contracts	2,172,892	1,314,651
Profit on disposal of tangible fixed assets	(293,909)	(443,896)
Amortisation of intangible assets	77,347	28,697
Operating lease charges	129,145	88,767
	<u> </u>	<u> </u>

6 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	187,616	259,363
Company pension contributions to defined contribution schemes	114,817	99,967
	<u> </u>	<u> </u>
	<u>302,433</u>	<u>359,330</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

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

	2018	2017
	£	£
Remuneration for qualifying services	n/a	116,667
	<u> </u>	<u> </u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Number of administrative staff	39	30	-	-
Number of management staff	7	6	4	4
Number of operations staff	22	23	-	-
Number of coach drivers	276	228	-	-
Number of workshop staff	24	21	-	-
	<u>368</u>	<u>308</u>	<u>4</u>	<u>4</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	7,682,588	7,163,966	-	-
Social security costs	716,893	646,147	-	-
Pension costs	211,880	175,970	-	-
	<u>8,611,361</u>	<u>7,986,083</u>	<u>-</u>	<u>-</u>

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	38,662	17,476
Interest on finance leases and hire purchase contracts	223,272	157,628
	<u>261,934</u>	<u>175,104</u>
Other finance costs:		
Other interest	31	489
	<u>261,965</u>	<u>175,593</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Interest receivable and similar income

	2018	2017
	£	£
Other income from investments		
Dividends received	646	549
	<u> </u>	<u> </u>

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	145,508	241,157
Adjustments in respect of prior periods	(6,589)	-
Research & development tax credit	(54,869)	-
	<u> </u>	<u> </u>
Total current tax	84,050	241,157
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(7,860)	52,211
Changes in tax rates	-	(99,832)
Previously unrecognised tax loss, tax credit or timing difference	323	-
	<u> </u>	<u> </u>
Total deferred tax	(7,537)	(47,621)
	<u> </u>	<u> </u>
 Total tax charge for the year	 76,513	 193,536
	<u> </u>	<u> </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 2018****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:

	2018	2017
	£	£
Profit before taxation	<u>826,252</u>	<u>1,472,191</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.58%)	156,988	288,255
Tax effect of expenses that are not deductible in determining taxable profit	12,768	6,126
Tax effect of income not taxable in determining taxable profit	(123)	(107)
Tax effect of utilisation of tax losses not previously recognised	(4,667)	-
Effect of change in corporation tax rate in respect of deferred taxation	(42,013)	(101,646)
Amortisation on assets not qualifying for tax allowances	14,695	5,618
Under/(over) provided in prior years	(6,266)	-
Deferred tax adjustments in respect of prior years	-	(4,710)
Tax relief of Research & development tax credit	<u>(54,869)</u>	<u>-</u>
Taxation charge for the year	<u>76,513</u>	<u>193,536</u>

11 Dividends

	2018	2017
	£	£
Final paid	<u>537,750</u>	<u>243,000</u>

LUCKETTS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2018****12 Intangible fixed assets**

Group	Goodwill
	£
Cost	
At 1 September 2017	361,973
Additions - business combinations	1,089,547
At 31 August 2018	1,451,520
Amortisation and impairment	
At 1 September 2017	240,932
Amortisation charged for the year	77,347
At 31 August 2018	318,279
Carrying amount	
At 31 August 2018	1,133,241
At 31 August 2017	121,041

The company had no intangible fixed assets at 31 August 2018 or 31 August 2017.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2017	2,815,723	537,259	329,912	194,638	20,354,816	24,232,348
Additions	6,363	50,515	26,795	49,827	6,093,289	6,226,789
Business combinations	-	47,481	-	-	3,111,532	3,159,013
Disposals	-	-	-	-	(1,586,069)	(1,586,069)
At 31 August 2018	2,822,086	635,255	356,707	244,465	27,973,568	32,032,081
Depreciation and impairment						
At 1 September 2017	113,391	382,396	271,517	133,784	9,183,404	10,084,492
Depreciation charged in the year	17,255	45,252	15,726	21,927	2,264,562	2,364,722
Eliminated in respect of disposals	-	-	-	-	(1,340,477)	(1,340,477)
At 31 August 2018	130,646	427,648	287,243	155,711	10,107,489	11,108,737
Carrying amount						
At 31 August 2018	2,691,440	207,607	69,464	88,754	17,866,079	20,923,344
At 31 August 2017	2,702,332	154,863	58,395	60,854	11,171,412	14,147,856

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Company	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2017	468,924	19,711	22,000	510,635
Additions	6,363	-	-	6,363
At 31 August 2018	475,287	19,711	22,000	516,998
Depreciation and impairment				
At 1 September 2017	4,339	17,812	-	22,151
Depreciation charged in the year	1,612	862	-	2,474
At 31 August 2018	5,951	18,674	-	24,625
Carrying amount				
At 31 August 2018	469,336	1,037	22,000	492,373
At 31 August 2017	464,585	1,899	22,000	488,484

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

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Motor vehicles	15,209,557	8,481,716	-	-
Depreciation charge for the year in respect of leased assets	2,172,892	1,314,651	-	-

14 Investment property

	Group 2018	Company 2018
	£	£
Fair value		
At 1 September 2017 and 31 August 2018	-	3,250,000

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 directors do not consider the fair value of the property to have changed since the valuation. 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 2018 £	2017 £	Company 2018 £	2017 £
Cost	-	-	2,168,320	2,168,320
Accumulated depreciation	-	-	(124,694)	(109,051)
Carrying amount	-	-	2,043,626	2,059,269

15 Fixed asset investments

		Group 2018 £	2017 £	Company 2018 £	2017 £
	Notes				
Investments in subsidiaries	16	-	-	6,140,806	2,891,739

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 September 2017	2,891,739
Additions	3,249,067
At 31 August 2018	6,140,806
Carrying amount	
At 31 August 2018	6,140,806
At 31 August 2017	2,891,739

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Subsidiaries

Details of the company's subsidiaries at 31 August 2018 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	
Solent Coaches Limited	as above	Coach operation	Ordinary	100.00	
Mortons Travel Limited	as above	Coach operation	Ordinary	100.00	

17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Fuel and workshop materials	436,165	253,857	-	-

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	1,452,998	1,439,891	-	-
Amount due from group undertakings	-	-	187,835	241,235
Other debtors	746,819	420,151	253,217	-
Prepayments and accrued income	490,694	406,353	27,949	27,152
	<u>2,690,511</u>	<u>2,266,395</u>	<u>469,001</u>	<u>268,387</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Current asset investments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Listed investments	9,020	9,020	9,020	9,020

20 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	23	1,085,404	91,728	1,085,404	83,209
Obligations under hire purchase contracts	24	3,361,864	1,760,102	-	-
Payments received on account		1,060,487	1,012,868	-	-
Trade creditors		1,100,251	845,788	27,090	24,530
Amounts due to group undertakings		-	-	6,897,349	4,047,542
Corporation tax payable		188,812	241,157	12,790	32,135
Other taxation and social security		283,188	190,130	1,698	1,988
Other creditors		158,245	110,224	53,399	11,074
Accruals and deferred income		479,179	344,626	14,332	9,914
		7,717,430	4,596,623	8,092,062	4,210,392

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 2018

21 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	23	420,254	509,310	420,254	509,310
Obligations under hire purchase contracts	24	9,370,212	4,726,384	-	-
		<u>9,790,466</u>	<u>5,235,694</u>	<u>420,254</u>	<u>509,310</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.

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 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,960,866	1,444,860	441,052	241,235
Equity instruments measured at fair value through profit and loss	9,020	9,020	9,020	9,020
	<u>1,969,886</u>	<u>1,453,880</u>	<u>450,072</u>	<u>250,255</u>
Carrying amount of financial liabilities				
Measured at amortised cost	17,035,896	9,401,030	8,497,828	4,685,579
	<u>17,035,896</u>	<u>9,401,030</u>	<u>8,497,828</u>	<u>4,685,579</u>

23 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	1,505,658	601,038	1,505,658	592,519
	<u>1,505,658</u>	<u>601,038</u>	<u>1,505,658</u>	<u>592,519</u>
Payable within one year	1,085,404	91,728	1,085,404	83,209
Payable after one year	420,254	509,310	420,254	509,310
	<u>1,905,316</u>	<u>600,076</u>	<u>1,905,316</u>	<u>600,076</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Loans and overdrafts

(Continued)

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 £119,470 (2017 - £227,772) is due in greater than five years.

24 Hire purchase obligations

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Future minimum lease payments due under hire purchase contracts:				
Within one year	3,361,864	1,760,102	-	-
In two to five years	8,852,560	4,120,465	-	-
In over five years	517,652	605,919	-	-
	<u>12,732,076</u>	<u>6,486,486</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 on fixed and variable profiles between 0.9% and 6%, 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:

	Liabilities	Liabilities
	2018	2017
Group	£	£
Fixed asset timing differences	<u>1,196,878</u>	<u>848,578</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Deferred taxation

(Continued)

	Liabilities 2018 £	Liabilities 2017 £
Company		
Fixed asset timing differences	(7,077)	(8,087)
Investment property	46,040	52,251
	<u>38,963</u>	<u>44,164</u>
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 September 2017	848,578	44,164
Credit to profit or loss	(7,537)	(5,201)
Deferred tax provisions acquired on business combinations	355,837	-
	<u>1,196,878</u>	<u>38,963</u>

26 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>211,880</u>	<u>175,970</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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Share capital

	Group and company	
	2018	2017
	£	£
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 Acquisitions

On 30 November 2017 the group acquired 100 percent of the issued capital of Solent Coaches Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Property, plant and equipment	571,765	28,333	600,098
Inventories	-	6,000	6,000
Trade and other receivables	158,783	(305)	158,478
Cash and cash equivalents	33,305	-	33,305
Borrowings	(65,185)	-	(65,185)
Obligations under finance leases	(298,715)	(15,127)	(313,842)
Trade and other payables	(46,900)	(3,417)	(50,317)
Tax liabilities	-	(29,962)	(29,962)
Deferred tax	(103,998)	(4,637)	(108,635)
	<u> </u>	<u> </u>	<u> </u>
Total identifiable net assets	249,055	(19,115)	229,940
	<u> </u>	<u> </u>	<u> </u>
Goodwill			207,784
			<u> </u>
Total consideration			437,724
			<u> </u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Acquisitions

(Continued)

The consideration was satisfied by: £

Cash 412,197

Costs incurred on acquisition 25,527

437,724

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition: £

Turnover 931,574

Loss after tax (6,619)

On 16 April 2018 the group acquired 100 percent of the issued capital of Mortons Travel Limited.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	178,783	(178,783)	-
Property, plant and equipment	2,558,915	-	2,558,915
Inventories	35,000	-	35,000
Trade and other receivables	176,200	90	176,290
Cash and cash equivalents	798,452	-	798,452
Obligations under finance leases	(1,036,918)	(54,340)	(1,091,258)
Trade and other payables	(255,508)	(25,177)	(280,685)
Tax liabilities	(98,018)	78,088	(19,930)
Deferred tax	-	(247,202)	(247,202)
	<u>2,356,906</u>	<u>(427,324)</u>	<u>1,929,582</u>
Total identifiable net assets			1,929,582
Goodwill			881,761
Total consideration			<u>2,811,343</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Acquisitions (Continued)

The consideration was satisfied by: £

Cash 2,746,783

Costs incurred on acquisition 64,560

2,811,343

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition: £

Turnover 1,532,159

Profit after tax 18,363

Reconciliation of purchase of subsidiaries as disclosed in the cash flow statement:-

	Solent Coaches Limited	Mortons Travel Limited	Total
	£	£	£
Cash paid	412,197	2,746,783	3,158,980
Costs incurred on acquisition	25,527	64,560	90,087
Less: Cash acquired on acquisition	(33,305)	(798,452)	(831,757)
Purchase of subsidiaries	<u>404,419</u>	<u>2,012,891</u>	<u>2,417,310</u>

29 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 2018	2017	Company 2018	2017
	£	£	£	£
Within one year	190,079	89,949	-	-
Between two and five years	461,885	284,305	-	-
	<u>651,964</u>	<u>374,254</u>	<u>-</u>	<u>-</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Acquisition of tangible fixed assets	-	2,638,921	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

31 Related party transactions

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

32 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.

33 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	749,739	1,278,655
Adjustments for:		
Taxation charged	76,513	193,536
Finance costs	261,965	175,593
Investment income	(646)	(549)
Gain on disposal of tangible fixed assets	(293,909)	(443,896)
Amortisation and impairment of intangible assets	77,347	28,697
Depreciation and impairment of tangible fixed assets	2,364,722	1,766,287
Movements in working capital:		
(Increase)/decrease in stocks	(141,308)	22,823
(Increase) in debtors	(89,243)	(613,657)
Increase in creditors	246,605	376,840
Cash generated from operations	<u>3,251,785</u>	<u>2,784,329</u>