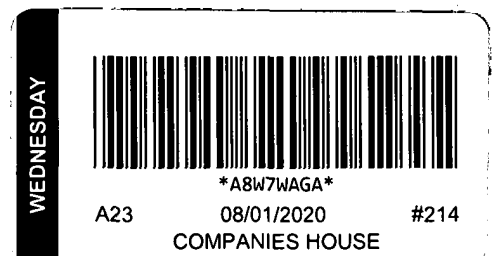


Company Registration No. 03625708 (England and Wales)

LUCKETTS HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2019

tc accounts · tax · legal · financial planning

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

LUCKETTS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present the strategic report for the year ended 31 August 2019.

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 on the integration of the two businesses acquired in 2017/18 within the group, and driving operational improvement and efficiency within the group which has resulted in a positive impact on margins.

The group is now well positioned to capitalise on future opportunities for growth delivered through further acquisitions in 2019/20.

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:-

	2019 (£'000)	2018 (£'000)
Turnover	25,216	22,088
Gross Profit	9,459	7,437
Gross Profit %	37.50%	33.70%
Profit Before Tax	1,026	826
EBITDA	4,174	3,528

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.

LUCKETTS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

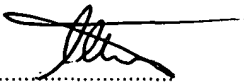
Future developments

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

20/12/2019

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their annual report and financial statements for the year ended 31 August 2019.

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 9.

Ordinary dividends were paid amounting to £549,000. 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.

LUCKETTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Statement of directors' responsibilities

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

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

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

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

Auditor

The auditor, TC Group, 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 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

Date:

2/12/2019

LUCKETTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUCKETTS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Locketts Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LUCKETTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LUCKETTS HOLDINGS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

LUCKETTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LUCKETTS HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



James Blake FCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: Portsmouth

Date: 20/12/2019

LUCKETTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Turnover	3	25,216,134	22,088,171
Cost of sales		(15,756,806)	(14,651,047)
Gross profit		9,459,328	7,437,124
Administrative expenses		(5,285,349)	(3,909,213)
Earnings before interest, tax, depreciation and amortisation		4,173,979	3,527,911
Depreciation and amortisation		(2,801,579)	(2,442,069)
Operating profit		1,372,400	1,085,842
Interest receivable and similar income		972	646
Interest payable and similar expenses		(347,017)	(260,236)
Profit before taxation		1,026,355	826,252
Tax on profit	10	(186,663)	(76,513)
Profit for the financial year		839,692	749,739

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.

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

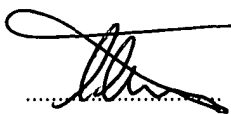
LUCKETTS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Goodwill	12	995,589	1,133,241
Tangible assets	13	21,146,369	20,923,344
		<u>22,141,958</u>	<u>22,056,585</u>
Current assets			
Stocks	16	421,801	436,165
Debtors	17	2,402,185	2,694,299
Investments	18	9,020	9,020
Cash at bank and in hand		1,147,714	1,391,041
		<u>3,980,720</u>	<u>4,530,525</u>
Creditors: amounts falling due within one year	19	<u>(6,594,568)</u>	<u>(7,721,218)</u>
Net current liabilities		<u>(2,613,848)</u>	<u>(3,190,693)</u>
Total assets less current liabilities		<u>19,528,110</u>	<u>18,865,892</u>
Creditors: amounts falling due after more than one year	20	(10,148,838)	(9,790,466)
Provisions for liabilities	24	<u>(1,210,032)</u>	<u>(1,196,878)</u>
Net assets		<u><u>8,169,240</u></u>	<u><u>7,878,548</u></u>
Capital and reserves			
Called up share capital	26	10,000	10,000
Profit and loss reserves		8,159,240	7,868,548
Total equity		<u><u>8,169,240</u></u>	<u><u>7,878,548</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019 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 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,425,275		2,536,000
Investments	14		6,140,806		6,140,806
			<u>9,566,081</u>		<u>8,676,806</u>
Current assets					
Debtors	17	29,040		469,001	
Investments	18	9,020		9,020	
Cash at bank and in hand		59,777		178,766	
		<u>97,837</u>		<u>656,787</u>	
Creditors: amounts falling due within one year	19	(7,295,884)		(8,092,062)	
Net current liabilities			<u>(7,198,047)</u>		<u>(7,435,275)</u>
Total assets less current liabilities			<u>2,368,034</u>		<u>1,241,531</u>
Creditors: amounts falling due after more than one year	20		(1,934,307)		(420,254)
Provisions for liabilities	24		2,375		7,077
Net assets			<u>436,102</u>		<u>828,354</u>
Capital and reserves					
Called up share capital	26		10,000		10,000
Profit and loss reserves			426,102		818,354
Total equity			<u>436,102</u>		<u>828,354</u>

LUCKETTS HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

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 £156,748 (2018 - £253,116 profit).

The financial statements were approved by the board of directors and authorised for issue on 2/12/2019 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 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 31 August 2018:				
Balance at 1 September 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
Year ended 31 August 2019:				
Profit and total comprehensive income for the year		-	839,692	839,692
Dividends	11	-	(549,000)	(549,000)
Balance at 31 August 2019		10,000	8,159,240	8,169,240

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 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 August 2018:					
Balance at 1 September 2017		10,000	1,029,429	1,212,038	2,251,467
Effect of change in accounting policy		-	(1,029,429)	(109,050)	(1,138,479)
As restated		10,000	-	1,102,988	1,112,988
Year ended 31 August 2018:					
Profit and total comprehensive income for the year		-	-	253,116	253,116
Dividends	11	-	-	(537,750)	(537,750)
Balance at 31 August 2018		10,000	-	818,354	828,354
Year ended 31 August 2019:					
Profit and total comprehensive income for the year		-	-	156,748	156,748
Dividends	11	-	-	(549,000)	(549,000)
Balance at 31 August 2019		10,000	-	426,102	436,102

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 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	30	4,564,944		3,250,056	
Interest paid		(347,017)		(260,236)	
Income taxes paid		(207,035)		(186,287)	
Net cash inflow from operating activities		4,010,892		2,803,533	
Investing activities					
Purchase of subsidiaries		-	(2,417,310)		
Purchase of tangible fixed assets	(1,242,686)		(608,164)		
Proceeds on disposal of tangible fixed assets	194,000		539,501		
Interest received	265		-		
Dividends received	707		646		
Net cash used in investing activities		(1,047,714)		(2,485,327)	
Financing activities					
Proceeds of new bank loans	825,000		3,000,000		
Repayment of bank loans	(88,211)		(2,160,565)		
Proceeds from refinanced assets	620,000		1,540,250		
Payment of finance leases obligations	(4,014,294)		(2,318,385)		
Dividends paid to equity shareholders	(549,000)		(537,750)		
Net cash used in financing activities		(3,206,505)		(476,450)	
Net decrease in cash and cash equivalents		(243,327)		(158,244)	
Cash and cash equivalents at beginning of year		1,391,041		1,549,285	
Cash and cash equivalents at end of year		1,147,714		1,391,041	

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 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 33 'Related Party Disclosures' – Compensation for key management personnel.

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 2019. 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 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:

Goodwill	10% straight line
----------	-------------------

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

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction 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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 profit or loss 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 profit or loss 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 leased 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 2019

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.

	2019	2018
	£	£
Turnover analysed by class of business		
	25,216,133	22,088,171
	<u>25,216,133</u>	<u>22,088,171</u>
Analysis per statutory database	25,216,133	22,088,171
Statutory database analysis does not agree to the trial balance by:	1	-

4 Auditor's remuneration

	2019	2018
	£	£
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	30,500	19,000
	<u>33,000</u>	<u>21,500</u>

5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	775,485	191,830
Depreciation of tangible fixed assets held under finance leases	1,820,836	2,172,892
Impairment of owned tangible fixed assets	67,606	-
Loss/(profit) on disposal of tangible fixed assets	69,135	(293,909)
Amortisation of intangible assets	137,652	77,347
Operating lease charges	642,451	227,846
	<u>642,451</u>	<u>227,846</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	179,118	187,616
Company pension contributions to defined contribution schemes	52,185	114,817
	<u>231,303</u>	<u>302,433</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 2).

7 Employees

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

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Number of administrative staff	39	39	-	-
Number of management staff	7	7	4	4
Number of operations staff	23	22	-	-
Number of coach drivers	279	276	-	-
Number of workshop staff	25	24	-	-
	<u>373</u>	<u>368</u>	<u>4</u>	<u>4</u>

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	8,868,104	7,615,718	-	-
Social security costs	867,971	766,385	-	-
Pension costs	283,905	229,259	-	-
	<u>10,019,980</u>	<u>8,611,362</u>	<u>-</u>	<u>-</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	51,534	38,662
Interest on finance leases	295,083	221,543
	<u>346,617</u>	<u>260,205</u>
Other finance costs:		
Other interest	400	31
	<u>347,017</u>	<u>260,236</u>

9 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	113	-
Other interest income	152	-
	<u>265</u>	<u>-</u>
Total interest revenue		
	265	-
Other income from investments		
Dividends received	707	646
	<u>972</u>	<u>646</u>

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	173,509	145,508
Adjustments in respect of prior periods	-	(6,589)
Other taxes	-	(54,869)
	<u>173,509</u>	<u>84,050</u>

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	45,902	(7,860)
Previously unrecognised tax loss, tax credit or timing difference	-	323
Adjustment in respect of prior periods	(32,748)	-
Total deferred tax	13,154	(7,537)
Total tax charge	186,663	76,513

The UK corporation tax rate is currently set to decrease from 19% to 17% from 1 April 2020.

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

	2019 £	2018 £
Profit before taxation	1,026,355	826,252
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	195,007	156,988
Tax effect of expenses that are not deductible in determining taxable profit	4,165	12,768
Tax effect of income not taxable in determining taxable profit	(134)	(123)
Tax effect of utilisation of tax losses not previously recognised	-	(4,667)
Effect of change in corporation tax rate	-	(42,013)
Amortisation on assets not qualifying for tax allowances	26,153	14,695
Research and development tax credit	-	(54,869)
Under/(over) provided in prior years	(31,992)	(6,266)
Effects of timing differences at lower rate of future tax	(6,536)	-
Taxation charge	186,663	76,513

LUCKETTS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****10 Taxation****(Continued)**

Deferred tax is measured using the future tax rates on which the underlying timing differences are expected to reverse. At the balance sheet date the UK government had enacted legislation to reduce the corporation tax rate from 19% to 17% from 1st April 2020. The majority of the company's deferred tax provision has been calculated on the assumption of a future rate of tax of 17%.

Subsequent to the balance sheet date, a general election was called, and the new government has indicated an intention not to reduce the corporation tax rate from 19%. If the future rate of tax were to increase, then for every increase of 1% in the corporation tax rate, the deferred tax provision of the company at 31st August 2019 would be increased by £71,178.

11 Dividends

	2019 £	2018 £
Final paid	549,000	537,750

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 September 2018 and 31 August 2019	1,451,520
Amortisation and impairment	
At 1 September 2018	318,279
Amortisation charged for the year	137,652
At 31 August 2019	455,931
Carrying amount	
At 31 August 2019	995,589
At 31 August 2018	1,133,241

The company had no intangible fixed assets at 31 August 2019 or 31 August 2018.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	2,822,086	635,255	356,707	244,465	27,973,568	32,032,081
Additions	907,517	14,239	32,556	132,045	2,063,729	3,150,086
Disposals	-	-	-	-	(693,948)	(693,948)
At 31 August 2019	3,729,603	649,494	389,263	376,510	29,343,349	34,488,219
Depreciation and impairment						
At 1 September 2018	130,645	427,648	287,243	155,711	10,107,489	11,108,736
Depreciation charged in the year	17,255	53,287	18,118	38,053	2,469,608	2,596,321
Impairment losses	-	-	-	-	67,606	67,606
Eliminated in respect of disposals	-	-	-	-	(430,813)	(430,813)
At 31 August 2019	147,900	480,935	305,361	193,764	12,213,890	13,341,850
Carrying amount						
At 31 August 2019	3,581,703	168,559	83,902	182,746	17,129,459	21,146,369
At 31 August 2018	2,691,440	207,607	69,464	88,754	17,866,079	20,923,344

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

(Continued)

Company	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2018	2,643,607	19,711	22,000	2,685,318
Additions	907,517	-	-	907,517
At 31 August 2019	3,551,124	19,711	22,000	3,592,835
Depreciation and impairment				
At 1 September 2018	130,645	18,674	-	149,319
Depreciation charged in the year	17,255	986	-	18,241
At 31 August 2019	147,900	19,660	-	167,560
Carrying amount				
At 31 August 2019	3,403,224	51	22,000	3,425,275
At 31 August 2018	2,512,963	1,037	22,000	2,536,000

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

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Motor vehicles	13,187,097	15,209,557	-	-

14 Fixed asset investments

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	6,140,806	6,140,806

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Fixed asset investments (Continued)

**Movements in fixed asset investments
Company**

**Shares in
group
undertakings
£**

Cost or valuation

At 1 September 2018 and 31 August 2019

6,140,806

Carrying amount

At 31 August 2019

6,140,806

At 31 August 2018

6,140,806

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 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	
Mortons Travel Limited	as above	Coach operation	Ordinary	100.00	
Solent Coaches Limited	as above	Coach operation	Ordinary	100.00	
Worthing Coaches Limited	as above	Coach operation	Ordinary	100.00	

16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Fuel and workshop materials	421,801	436,165	-	-

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,269,888	1,456,787	-	-
Amounts owed by group undertakings	-	-	-	187,835
Other debtors	340,152	746,818	-	253,217
Prepayments and accrued income	792,115	490,694	29,040	27,949
	<u>2,402,155</u>	<u>2,694,299</u>	<u>29,040</u>	<u>469,001</u>
Deferred tax asset (note 24)	30	-	-	-
	<u>2,402,185</u>	<u>2,694,299</u>	<u>29,040</u>	<u>469,001</u>

18 Current asset investments

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Listed investments	<u>9,020</u>	<u>9,020</u>	<u>9,020</u>	<u>9,020</u>

19 Creditors: amounts falling due within one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Bank loans	22	308,140	1,085,404	308,140	1,085,404
Obligations under hire purchase contracts	23	3,030,651	3,361,864	-	-
Payments received on account		1,264,721	1,064,276	-	-
Trade creditors		886,295	1,100,251	25,953	27,090
Amounts due to group undertakings		-	-	6,914,839	6,897,349
Corporation tax payable		155,316	188,812	29,339	12,790
Other taxation and social security		278,706	283,188	1,578	1,698
Other creditors		106,942	158,244	12,597	53,399
Accruals and deferred income		563,797	479,179	3,438	14,332
		<u>6,594,568</u>	<u>7,721,218</u>	<u>7,295,884</u>	<u>8,092,062</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 2019

20 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	22	1,934,307	420,254	1,934,307	420,254
Obligations under hire purchase contracts	23	8,214,531	9,370,212	-	-
		<u>10,148,838</u>	<u>9,790,466</u>	<u>1,934,307</u>	<u>420,254</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 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 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,460,518	1,964,654	n/a	n/a
Equity instruments measured at fair value through profit and loss	9,020	9,020	n/a	n/a
	<u>1,469,538</u>	<u>1,973,674</u>	<u>n/a</u>	<u>n/a</u>
Carrying amount of financial liabilities				
Measured at amortised cost	16,309,384	17,039,684	n/a	n/a
	<u>16,309,384</u>	<u>17,039,684</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Loans and overdrafts

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	2,242,447	1,505,658	2,242,447	1,505,658
Payable within one year	308,140	1,085,404	308,140	1,085,404
Payable after one year	1,934,307	420,254	1,934,307	420,254

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 £489,774 (2018 - £119,470) is due in greater than five years.

23 Hire purchase obligations

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Future minimum lease payments due under hire purchase contracts:				
Within one year	3,030,653	3,361,864	-	-
In two to five years	8,180,434	8,852,560	-	-
In over five years	34,095	517,652	-	-
	11,245,182	12,732,076	-	-

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.

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 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 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Group				
Fixed asset timing differences	1,215,899	1,196,878	-	-
Other timing differences	(5,897)	-	-	-
	<u>1,210,002</u>	<u>1,196,878</u>	<u>-</u>	<u>-</u>

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Company				
Fixed asset timing differences	(2,375)	(7,077)	-	-
	<u>(2,375)</u>	<u>(7,077)</u>	<u>-</u>	<u>-</u>

	Group 2019 £	Company 2019 £
Movements in the year:		
Liability/(asset) at 1 September 2018	1,196,878	(7,077)
Charge to profit or loss	13,898	4,702
Other	(774)	-
Liability/(asset) at 31 August 2019	<u>1,210,002</u>	<u>(2,375)</u>

25 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>283,905</u>	<u>229,259</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 2019

26 Share capital

	Group and company	
	2019	2018
	£	£
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.

27 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	
	2019	2018	2019	2018
	£	£	£	£
Within one year	320,645	190,079	-	-
Between two and five years	557,853	461,885	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	878,498	651,964	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LUCKETTS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****28 Related party transactions**

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

29 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.

30 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	839,692	749,739
Adjustments for:		
Taxation charged	186,663	76,513
Finance costs	347,017	260,236
Investment income	(972)	(646)
Loss/(gain) on disposal of tangible fixed assets	69,135	(293,909)
Amortisation and impairment of intangible assets	137,652	77,347
Depreciation and impairment of tangible fixed assets	2,663,927	2,364,722
Movements in working capital:		
Decrease/(increase) in stocks	14,364	(141,308)
Decrease/(increase) in debtors	292,144	(142,761)
Increase in creditors	15,322	300,123
Cash generated from operations	4,564,944	3,250,056

LUCKETTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

31 Reconciliations on changes in accounting policy following FRS 102 Triennial review 2017

Reconciliation of equity - company

	1 September 2017	31 August 2018
Notes	£	£
Equity as previously reported under FRS 102	2,251,467	1,988,687
Adjustments arising from changes in accounting policies:	(1,138,479)	(1,160,333)
Equity reported under FRS 102 per these statutory accounts	<u>1,112,988</u>	<u>828,354</u>

Reconciliation of company profit for the financial period

Notes	2018 £
Profit as previously reported under FRS 102	268,759
Adjustments arising from changes in accounting policies:	(15,643)
Profit reported under FRS 102 per these statutory accounts	<u>253,116</u>

Notes to reconciliations on adoption of FRS 102 - company

Investment property

The company holds Freehold Property which is rented out to other companies in the group and has previously been recognised as Investment Property in the company's accounts. Subsequent to the 2017 FRS 102 Triennial review, the directors have opted to change the accounting policy to recognise the property as Property, Plant and Equipment at historical cost. This includes retrospective recognition of any depreciation to date.