

Locker Group plc

Annual report and accounts
for the year ended 31 March 2003

Registered number: 431900



Directors' report

For the year ended 31 March 2003

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 March 2003.

Directors' responsibilities

United Kingdom company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and business review

The principal activity continues to be the management of the company's investments in its subsidiary companies.

The realisation of the company's investments is progressing satisfactorily. In addition to the sale of Locker Filtration Limited and Lockers Engineers South Africa (Pty) Limited during the year the company has since the year end sold the freehold site in Warrington and secured the sale of its investments in Australia held by Locker Industries Holdings, a subsidiary company.

The directors have reviewed each investment at 31 March 2003 and where it is unlikely that the carrying value will now be realised a provision has been made to reduce it to the recoverable amount. Impairment provisions previously made, have been reviewed and credit taken where estimated realisations are expected to exceed carrying value.

Results and dividends

The loss for the year, after taxation, amounted to £13,293,000 (2002 – profit of 948,291). The directors do not recommend the payment of a dividend (2002 - £nil).

Directors' report (continued)

Directors

The directors who served during the year and thereafter were as follows:

Mr. P.A. Gartside (Chairman)

Mr. M.F. Seymour

Mr. J. G. Dalzell

Mr. H. W. Platt

Mr. A.E. Watson

Mr. J.M. Southworth

Directors Interests

Throughout the year all the directors were also directors of Locker Holdings Limited of which the company is a wholly owned subsidiary. Their interests in the shares of the parent company are shown in the financial statements of that company.

The directors had no beneficial interests in any contract entered into by the company during the year ended 31 March 2003.

Supplier payment policy

The company's general policy is to pay suppliers to agreed terms for undisputed transactions subject to restrictions imposed by any undue incidence of late payment from the company's own customers. During the year, the company has not followed any code or standard on payment practice.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

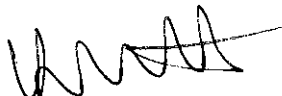
Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep informed on matters affecting them as employees and on the various factors affecting the performance of the company.

Directors' report (continued)

Auditors

On 1st August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte and Touche LLP with effect from 1st August 2003 under the provisions of section 26(5) of Companies Act 1989. The directors will place a resolution before the Annual General Meeting to reappoint Deloitte & Touche LLP as auditors for the ensuing year.



By order of the Board,

H. W. Platt
Director

Church Street
Warrington
Cheshire
WA1 2SU

28 January 2004

To the members of Locker Group plc:

We have audited the accounts of Locker Group plc for the year ended 31 March 2003 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the Directors' report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Deloitte.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

28/1/2004

Profit and loss account

For the year ended 31 March 2003

	Notes	2003 £	2002 £
Other operating expenses	1	(1,094,435)	(85,353)
Write off of amounts owed by group undertakings	2	(12,353,137)	-
Operating loss		(13,447,572)	(85,353)
Profit on disposal of fixed asset investments	3	1,492,699	-
Impairment of investments	4	(832,339)	-
Dividends received from subsidiaries		-	1,450,000
Interest payable and similar charges (net)	5	(433,358)	(740,625)
(Loss) profit on ordinary activities before taxation	6	(13,220,570)	624,022
Tax on (loss) profit on ordinary activities	8	(72,430)	324,269
Retained (loss) profit for the financial year	15	(13,293,000)	948,291

All activity has arisen from continuing operations.

There are no recognised gains or losses other than the (loss) profit retained for the year. Accordingly, a statement of total recognised gains and losses has not been prepared.

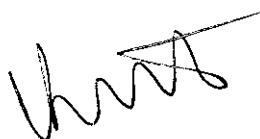
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible fixed assets	9	1,540,837	1,706,153
Investments	10	2,553,424	4,794,729
		<u>4,094,261</u>	<u>6,500,882</u>
Current assets			
Debtors	11	7,023,964	27,421,836
Cash at bank and in hand		300,463	62,064
		<u>7,324,427</u>	<u>27,483,900</u>
Creditors: Amounts falling due within one year	12	<u>(6,375,255)</u>	<u>(14,415,204)</u>
Net current assets		<u>949,172</u>	<u>13,068,696</u>
Total assets less current liabilities		<u>5,043,433</u>	<u>19,569,578</u>
Creditors: Amounts falling due after more than one year	12	<u>(2,416,151)</u>	<u>(3,670,616)</u>
Provisions for liabilities and charges	13	<u>(27,828)</u>	<u>(6,508)</u>
Net assets		<u>2,599,454</u>	<u>15,892,454</u>
Capital and reserves			
Called-up share capital	14	4,003,847	4,003,847
Revaluation reserve	15	1,758,547	1,758,547
Merger reserve	15	6,682,474	6,682,474
Profit and loss account	15	<u>(9,845,414)</u>	<u>3,447,586</u>
Equity shareholder's funds	16	<u>2,599,454</u>	<u>15,892,454</u>

The accounts on pages 6 to 21 were approved by the board of directors on 28 January 2004 and signed on its behalf by:



H. W. Platt

Director

28 January 2004

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

31 March 2003

The principal accounting policies are summarised below. They have been all applied consistently throughout the year and the preceding year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Locker Holdings Limited which prepares consolidated accounts which are publicly available. The company is also, on this basis, exempt from the requirement of preparing a cash flow statement.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less amounts written off. Provisions are made for impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold buildings	50 years
Leasehold buildings	50 years or the period of the lease if less
Plant and equipment	5 to 25 years
Motor vehicles	5 years

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Statement of accounting policies (continued)

Taxation (continued)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency

Transactions in foreign currencies are recorded at rates of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Pension costs

The company contributes to a number of personal pension schemes on behalf of certain employees. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful economic life. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Further information on charges in the year and future commitments is given in note 17b.

Notes to the accounts

31 March 2003

1 Operating loss

	2003 £	2002 £
Administrative expenses	1,357,057	327,148
Other operating income	(262,622)	(241,795)
	<u>1,094,435</u>	<u>85,353</u>

2 Write off of amounts owed by group undertakings

The recoverability of amounts owed by group undertakings has been reviewed by the directors. This review resulted in the write off of amounts due from Locker Investments Limited, Locker Europe Limited and Northern Conveyors Limited.

3 Profit on disposal of fixed asset investments

This profit is from the sale of Locker Filtration Limited and Lockers Engineers South Africa (Pty) Limited during the year.

4 Impairment of investments

The recoverability of the investments held by Locker Group Plc have been reviewed by the directors during the year. This review has resulted in an impairment loss of £832,339 against Meltech-Larmuth Limited, Locker Investments Limited and Locker Europe Limited. Included in this balance is £805,984 in respect of the reversal of a previous impairment loss relating to Locker Wire Weavers.

5 Interest payable and similar charges (net)

	2003 £	2002 £
Interest receivable	-	5,034
Less interest payable:		
On group loans	(957)	(45,112)
On bank loans and overdrafts	(409,243)	(625,875)
On finance leases	(23,158)	(74,672)
	<u>(433,358)</u>	<u>(740,625)</u>

Notes to the accounts (continued)

6 Profit (loss) on ordinary activities before taxation

Profit (loss) on ordinary activities before taxation is stated after (crediting)/charging:

	2003 £	2002 £
Depreciation and amounts written off tangible fixed assets:		
- owned	61,537	99,734
- held under finance leases	25,028	69,203
(Profit)/loss on disposal of fixed assets	(6,428)	4,169
Auditors' remuneration		
- audit services	10,000	10,000
- non audit services	8,475	-
Operating lease rentals - plant and machinery	3,556	4,993
Staff costs (see note 7)	<u>1,005,713</u>	<u>848,111</u>

7 Staff costs

The average monthly number of employees (including executive directors) was as follows:

	2003 Number employed	2002 Number employed
Clerical and technical	<u>11</u>	<u>16</u>

Their aggregate remuneration comprised:

	2003 £	2002 £
Wages and salaries	852,991	708,728
Social security costs	92,527	73,657
Other pension costs (see note 17c)	60,195	65,726
	<u>1,005,713</u>	<u>848,111</u>

Notes to the accounts (continued)

7 Staff costs (continued)

Directors' remuneration:

Their aggregate remuneration comprised:

	2003 £	2002 £
Salaries and fees	562,982	505,872
Benefits in kind	21,318	59,399
Total emoluments	584,300	565,271
Pension contributions for 4 directors (2002 – 4 directors) to money purchase schemes	43,620	46,653
	<u>627,920</u>	<u>611,924</u>

Highest paid director

The above amounts of remuneration include the remuneration of the chairman who is the highest paid director.

	2003 £	2002 £
Remuneration	173,104	168,104
Pension contributions to money purchase schemes	15,000	15,000
	<u>188,104</u>	<u>183,104</u>

£84,000 (2002 - £63,000) of Mr. P.A. Gartside (Chairman) remuneration is recharged to Burnden Leisure Plc for his services as their Chairman during the year.

Mr Gartside, Mr Seymour, Mr Dalzell and Mr Platt have service contracts terminable by the Company on the giving of 12 months notice. Mr Watson's service contract falls due for renewal in January 2004 and Mr Southworth's service contract fell due for renewal in December 2003. Mr Watson and Mr Southworth have both had their contracts renewed at their respective renewal dates.

Notes to the accounts (continued)

8 Tax on (loss) profit on ordinary activities

The tax charge (credit) comprises:

	2003 £	2002 £
Current tax		
UK corporation tax	(61,879)	(300,461)
Adjustment of current taxation in respect of prior years	112,989	(18,583)
Total current tax	51,110	(319,044)
Deferred tax		
Origination and reversal of timing differences	26,192	(19,195)
Adjustment of deferred taxation in respect of prior years	(4,872)	13,970
Total deferred tax	21,320	(5,225)
Total tax on (loss) profit on ordinary activities	72,430	(324,269)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss) profit before tax is as follows:

	2003 £	2002 £
(Loss) profit on ordinary activities before taxation	(13,220,570)	624,022
(Loss) profit on ordinary activities at standard UK corporation tax rate of 30% (2002 - 30%)	(3,966,171)	187,207
Effects of:		
Dividend income not taxed	-	(435,000)
Unrelieved tax losses carried forward	386,606	174,961
Capital allowances less than depreciation	(26,192)	19,195
Impairment provisions not allowed for tax	3,955,642	(321,590)
Profit on sale of investments not taxed	(447,810)	-
Expenses not deductible for tax purposes	36,047	74,766
Adjustment of current taxation in respect of prior years	112,989	(18,583)
	51,110	(319,044)

At 31 March 2003 there were unrelieved tax losses carried forward of £3,067,957 (2002 - £1,779,271) which are considered irrecoverable.

Notes to the accounts (continued)

9 Tangible fixed assets

	Freehold land and buildings £	Plant, equipment and motor vehicles £	Total £
Cost or valuation			
Beginning of year	1,820,839	588,030	2,408,869
Additions	-	2,008	2,008
Transfers to group companies	-	(93,076)	(93,076)
Disposals	-	(181,588)	(181,588)
End of year	1,820,839	315,374	2,136,213
Depreciation			
Beginning of year	290,654	412,062	702,716
Charge for the year	38,242	48,323	86,565
Transfers to group companies	-	(70,655)	(70,655)
Disposals	-	(123,250)	(123,250)
End of year	328,896	266,480	595,376
Net book value			
End of year	1,491,943	48,894	1,540,837
Beginning of year	1,530,185	175,968	1,706,153
Cost or valuation is represented by:			
Valuation in 1993	1,725,351	-	1,725,351
Additions	95,488	315,374	410,862
End of year	1,820,839	315,374	2,136,213
If land and buildings had not been revalued they would have been included at the following amounts:			
		2003 £	2002 £
Land and buildings			
Cost		939,616	939,616
Aggregate depreciation		(605,295)	(567,053)
		334,321	372,563

Freehold land and buildings include £355,351 (2002 - £355,351) of land which is not depreciated.

The revaluation of land and buildings was performed by Airey Entwistle & Co on the 31st March 1993.

Notes to the accounts (continued)

10 Fixed asset investments

	Subsidiary undertakings £	Loans £	Loans to subsidiary undertaking £	Total £
Cost				
Beginning of year	11,213,385	294,275	452,834	11,960,494
Loan repayment	-	(119)	(452,834)	(452,953)
Disposals	(1,408,847)	-	-	(1,408,847)
End of year	9,804,538	294,156	-	10,098,694
Provision				
Beginning of year	6,542,577	170,354	452,834	7,165,765
Charge for the year	832,339	-	(452,834)	379,505
End of year	7,374,916	170,354	-	7,545,270
Net book value				
End of year	2,429,622	123,802	-	2,553,424
Beginning of year	4,670,808	123,921	-	4,794,729

The disposal of investments in subsidiary undertakings during the year, relates to the sale of Locker Filtration Limited and Lockers Engineers South Africa (Pty) Limited.

The company holds 100% (unless otherwise stated) of the issued equity share capital of the following companies:

Name and country of principal operations if not England and Wales	Class of shares held	Principal activities
Locker Europe Limited	*Ordinary	Intermediate holding company
C I D Air Filters Limited	*Ordinary	Dormant
Clearway Filters Limited	*Ordinary	Dormant
Expanded & Metal Perforators Pty Limited – Australia	Ordinary	Expanded and perforated metal products
Expanded and Metal Perforators Sales (NZ) Limited – New Zealand	Ordinary	Expanded and perforated metal products
Hearl Heaton & Sons Limited	Ordinary	Dormant
I R Holdings Limited	Ordinary	Dormant
Industrial Reels Limited	Ordinary	Dormant
Kovotechnik Spol. s. r. o – Czech Republic	Ordinary	Steel reels
Locker Cambridge Metal Belt Co. Pty Limited - Australia	Ordinary 80%	Wire conveyor belts
Locker Engineering Limited	*Ordinary & Preference	Dormant

Notes to the accounts (continued)

10 Fixed asset investments (continued)

Locker Group Pty Limited - Australia	Ordinary	Perforated metals, metal pressings, woven wire, wire products and machinery for the screening, processing and general handling of materials
Locker Industries Limited	Ordinary	Dormant
Locker Industries (Holdings) Limited	*Ordinary	Intermediate holding company
Locker Investments Limited	*Ordinary	Intermediate holding company
Locker Leasing Limited	*Ordinary	Dormant
Locker Midland Properties Limited	Ordinary	Property investment company
Locker Perforators Limited	*Ordinary	Dormant
Locker Process Solutions Limited	*Ordinary	Not trading
Locker Trustees Limited	*Ordinary	Trustee of Employees Share Ownership Scheme
Locker Wire Products Limited	*Ordinary	Dormant
Locker Wire Weavers Limited	*Ordinary	Dormant
Meltech-Larmuth Limited	*Ordinary	Winding and other specialised machinery
Northern Conveyors Limited	*Ordinary	Not trading
O M T Enterprises Limited	*Ordinary	Dormant
Pentre Askern Group Limited	Ordinary 51%	In liquidation
Pentre Engineering Limited	Ordinary	Dormant
Pentre Group A/S – Denmark	Ordinary	Steel process reels and drums
<i>Pentre Group Limited</i>	<i>Ordinary</i>	<i>Cable reels and drums</i>
Pentre Reel & Drum Limited	Ordinary	Dormant
Pentre Reels Limited	Ordinary	Dormant
Pentre Steel Drums Limited	Ordinary	Dormant
Pentre Timber Drums Limited	Ordinary	Dormant
Pentre (Holdings) Limited	Ordinary	Not trading
Thomas Locker SA – Belgium	Ordinary	Not trading
Warrington Perforators Limited	*Ordinary	Dormant
Warrington Wheel Company Limited	Ordinary	Dormant

*Investment held by the company - all other investments are held by subsidiary undertakings.

Group accounts have not been prepared in accordance with section 228 of the Companies Act 1985. As at 31 March 2003, the company was a wholly-owned subsidiary of Locker Holdings Limited, which prepares group accounts into which Locker Group Plc is consolidated. Copies of the accounts of Locker Holdings Limited may be obtained from The Secretary, Locker Holdings Limited, Church Street, Warrington, Cheshire.

In the opinion of the directors, the value of the company's investments in its subsidiaries is not less than the amount at which they are stated in the accounts.

Notes to the accounts (continued)

11 Debtors

	2003 £	2002 £
Amounts owed by group undertakings	6,295,486	26,099,485
Other debtors	206,367	314,306
Corporation tax recoverable	142,156	165,808
Prepayments and accrued income	379,955	842,237
	<u>7,023,964</u>	<u>27,421,836</u>

12 Creditors:

Amounts falling due within one year	2003 £	2002 £
Overdraft	1,634,941	5,778,654
Loans	706,510	1,735,919
Obligations under finance leases and hire purchase contracts	84,126	335,387
Trade creditors	124,719	748,071
Amounts due to group undertakings	3,473,275	5,043,773
Other taxation and social security	72,103	309,067
Other creditors	-	97,164
Accruals and deferred income	279,581	367,169
	<u>6,375,255</u>	<u>14,415,204</u>
Amounts falling due after more than one year		
Loans	2,311,913	3,078,564
Obligations under finance leases and hire purchase contracts	104,238	592,052
	<u>2,416,151</u>	<u>3,670,616</u>

Notes to the accounts (continued)

12 Creditors (continued)

Borrowings:	2003 £	2002 £
Overdraft secured on the assets of the Company	1,634,941	5,778,654
Unsecured loan repayable by instalments	-	26,880
Secured loans:		
Bank loan repayable over 10 years from July 1996 by instalments at 8.625% fixed	1,259,688	1,609,686
Bank loan repayable over 10 years from July 1996 by instalments at 4.875% variable	1,200,000	1,494,765
Bank loan repayable over 10 years from October 1998 by instalments at 4.75% variable	558,735	683,152
Bank loan repayable out of the proceeds of the sale of the freehold site in Warrington at 4.75% variable	-	1,000,000
Finance leases	188,364	927,439
	<u>4,841,728</u>	<u>11,520,576</u>
These loans and overdrafts are repayable:		
On demand	1,634,941	5,778,654
One year or less	706,510	1,735,920
Between one and two years	808,857	769,950
Between two and five years	1,488,835	2,284,753
After five years	14,221	23,860
	<u>4,653,364</u>	<u>10,593,137</u>
The maturity of the above finance leases is as follows:		
One year or less	84,126	335,385
Between one and two years	45,953	254,851
Between two and five years	58,285	337,203
	<u>188,364</u>	<u>927,439</u>

The secured loans are secured on the assets of the Company and certain subsidiary companies.

The Company has guaranteed, by a charge on its assets, the borrowings of certain subsidiaries. At the end of the year the amount outstanding was £3,545,190 (2002 £4,631,449).

Interest rates on variable rate borrowings are based on bank base rates or LIBOR.

Notes to the accounts (continued)

12 Creditors (continued)

Movements in loans and finance leases

	Secured loans £	Finance leases £	Total £
Beginning of year	4,814,483	927,439	5,741,922
Repayments	(1,917,479)	(761,940)	(2,679,419)
Interest charges accrued	121,625	22,865	144,490
Exchange differences	(206)	-	(206)
End of year	<u>3,018,423</u>	<u>188,364</u>	<u>3,206,787</u>

13 Provisions for liabilities and charges

	Deferred taxation £
Beginning of year	6,508
Transfer from profit and loss account	<u>21,320</u>
End of year	<u>27,828</u>

Deferred taxation

	2003 £	2002 £
Accelerated capital allowances	<u>27,828</u>	<u>6,508</u>

14 Called-up share capital

	2003 £	2002 £
<i>Authorised</i>		
100,000,000 ordinary shares of 5p each	<u>5,000,000</u>	<u>5,000,000</u>
<i>Allotted, called-up and fully-paid</i>		
80,076,952 ordinary shares of 5p each	<u>4,003,847</u>	<u>4,003,847</u>

Notes to the accounts (continued)

15 Reserves

The movement on reserves during the year comprises:

	Revaluation reserve £	Other reserves £	Profit and loss account £
Beginning of year	1,758,547	6,682,474	3,447,586
Retained loss for the year	-	-	(13,293,000)
End of year	<u>1,758,547</u>	<u>6,682,474</u>	<u>(9,845,414)</u>

16 Reconciliation of movements in equity shareholder's funds

	2003 £	2002 £
Beginning of year	15,892,454	14,944,163
(Loss) profit for the year	<u>(13,293,000)</u>	<u>948,291</u>
End of year	<u>2,599,454</u>	<u>15,892,454</u>

17 Financial commitments

a) *Contingent liabilities*

The company has given guarantees for the bank overdrafts and other borrowings of group companies amounting to £3,545,190 (2002 - £4,631,449).

b) *Commitments under operating leases*

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 Plant and equipment £	2002 Plant and equipment £
Expiry date		
- within one year	-	3,567
- between two and five years	-	-
- after five years	-	-
	<u>-</u>	<u>3,567</u>

Notes to the accounts (continued)

17 Financial commitments (continued)

c) Pensions

The company contributes to the Locker Group plc Group Personal Pension Plan which is a series of individual personal pension plans each of which is invested according to the wishes of the employee by a life assurance company independent of the company. The company makes agreed contributions to eligible UK participating employees' individual plans and makes a contribution to the administration costs of the plan for all employees.

The total cost of contributions to employees' personal pensions made by the company for the year ended 31 March 2003 was £60,195 (2002 - £65,726).

18 Related party transactions

During the year £84,000 (2002 - £63,000) of Mr. P.A. Gartside remuneration was recharged to Burnden Leisure Plc and Bolton Wanderers Football & Athletic Co. Ltd for services as a non-executive director. At the year end the balance outstanding due from Burnden Leisure Plc is £35,000 (2002 - £26,239) and from Bolton Wanderers Football & Athletic Co. Ltd is £70,500 (2002 - £nil). During the year the group made payments of £9,475 (2002 - £5,672) to Bolton Wanderers Football & Athletic Co. Ltd, a subsidiary company of Burnden Leisure Plc, in respect of tickets to football matches and associated corporate entertainment services. At the year end the balance due to Bolton Wanderers is £8,394 (2002 - £5,863).

Also during the year, 3 company cars were sold to Mr. M.F. Seymour, Mr. J. G. Dalzell, and Mr. H. W. Platt, for a market value of £10,153, £12,756, and £7,090 respectively.

19 Ultimate controlling party

At 31 March 2003 the directors regard Locker Holdings Limited, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Locker Holdings Limited is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Locker Holdings Limited, Church Street, Warrington, Cheshire, WA1 2SU.

As a subsidiary undertaking of Locker Holdings Limited, the company has taken advantage of the exemption in FRS8 "Related party disclosures" from disclosing transactions with other members of the group headed by Locker Holdings Limited.