

COMPANY NUMBER 64413

REGISTERED OFFICE UNIT 6
LOCHLANDS INDUSTRIAL ESTATE
LARBERT
FK5 3NS

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2000

CONTENTS	PAGE
Directors' Report	2
Auditors' Report	3
Abbreviated Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Accounts	7 - 14



LIGHTWAYS (CONTRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2000

The directors present their report and the audited financial statements for the year ended 30th June 2000.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company continued to trade in road and footpath surfacing and all aspects of street lighting works.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below:

	Ordinary shares	
	At 30th Jun '00	At 1st Jul '99
James Hornall	29,250	29,250
Steven James Beaton	2,250	2,250
John Gardner McLauchlan	-	-

The above shareholding for James Hornall includes 3,500 shares held by his wife and children.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. 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;
- 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 to 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.

AUDITORS

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Scott Oswald will be deemed to be reappointed for each succeeding financial year.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 28th September 2000 and signed on its behalf by


JOHN GARDNER McLAUCHLAN
COMPANY SECRETARY

**AUDITORS' REPORT TO LIGHTWAYS (CONTRACTORS) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Lightways (Contractors) Limited for the year ended 30th June 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

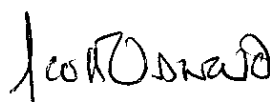
BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30th June 2000, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


SCOTT OSWALD
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITOR
FALKIRK

Dated: 28th September 2000

LIGHTWAYS (CONTRACTORS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2000**

	Note	2000 £	1999 £
GROSS PROFIT		1,506,445	1,704,046
Administrative expenses		<u>(1,456,706)</u>	<u>(1,503,644)</u>
OPERATING PROFIT	2	49,739	200,402
Interest payable and similar charges	3	<u>(31,564)</u>	<u>(35,325)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,175	165,077
Tax on profit on ordinary activities	5	<u>(8,803)</u>	<u>(31,883)</u>
RETAINED PROFIT FOR THE YEAR		9,372	133,194
Retained profit brought forward		<u>426,758</u>	<u>293,564</u>
RETAINED PROFIT CARRIED FORWARD		<u>436,130</u>	<u>426,758</u>

All amounts relate to continuing activities.

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 14 form an integral part of these accounts.

LIGHTWAYS (CONTRACTORS) LIMITED

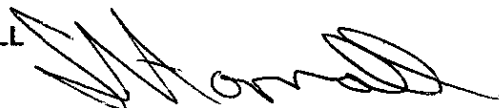
**BALANCE SHEET
AS AT 30TH JUNE 2000**

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		802,219		723,056
CURRENT ASSETS					
Stocks	7	176,175		164,437	
Debtors	8	907,274		947,736	
Cash at bank and in hand		27,200		3,450	
		<u>1,110,649</u>		<u>1,115,623</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(945,676)</u>		<u>(1,030,767)</u>	
NET CURRENT ASSETS			<u>164,973</u>		<u>84,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>967,192</u>		<u>807,912</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		(428,453)		(276,192)
PROVISION FOR LIABILITIES AND CHARGES	11		(12,609)		(14,962)
NET ASSETS			<u><u>526,130</u></u>		<u><u>516,758</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		78,500		78,500
Other reserves	13		11,500		11,500
Profit and loss account	13		436,130		426,758
EQUITY SHAREHOLDERS' FUNDS	14		<u><u>526,130</u></u>		<u><u>516,758</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 28th September 2000 and signed on its behalf by

**JAMES HORNALL
DIRECTOR**



The notes on pages 7 to 14 form an integral part of these accounts.

LIGHTWAYS (CONTRACTORS) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2000**

	Notes	2000 £	1999 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit		49,739	200,402
Depreciation		199,961	96,576
(Increase)/Decrease in stocks		(11,738)	101,930
Decrease/(Increase) in debtors		40,462	(123,646)
Increase/(Decrease) in creditors		177,012	(230,141)
NET CASH INFLOW FROM OPERATING ACTIVITIES		455,436	45,121

CASH FLOW STATEMENT

Net cash inflow from operating activities		455,436	45,121
Returns on investments and servicing of finance	16	(31,564)	(35,325)
Taxation	16	(22,575)	5,654
Capital expenditure	16	(279,124)	(435,357)
		122,173	(419,907)
Financing	16	162,258	393,312
Increase/(Decrease) in cash in the year		284,431	(26,595)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 17)

INCREASE/(DECREASE) IN CASH IN THE YEAR		284,431	(26,595)
Cash outflow from increase in debts and lease financing		33,672	29,570
Change in net funds resulting from cash flows		318,103	2,975
New finance leases		(195,930)	(437,882)
Movement in net funds in the year		122,173	(434,907)
Net debt at 1st July 1999		(685,832)	(250,925)
NET DEBT AT 30TH JUNE 2000		(563,659)	(685,832)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000**

1. ACCOUNTING POLICIES

1.1. Accounting convention

The accounts are prepared under the historical cost convention.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Heritable Property	-	2% Straight Line
Plant & Equipment	-	20% - 33.33% Straight Line
Office Equipment	-	16.67% & 33.33% Straight Line
Motor Vehicles	-	25% - 50% Straight Line
Vans & Lorries	-	20% & 33.33% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Cost comprises the cost of materials, direct labour and production overheads.

1.6. Pensions

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000**

2. OPERATING PROFIT	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	205,562	96,588
Operating lease rentals - Plant and machinery	4,953	10,433
Operating lease rentals - Land and buildings	15,000	15,000
Auditors' remuneration	6,000	6,000
	<u> </u>	<u> </u>
and after crediting:		
Profit/(loss) on disposal of tangible fixed assets	5,601	12
	<u> </u>	<u> </u>
3. INTEREST PAYABLE AND SIMILAR CHARGES	2000	1999
	£	£
On bank loans and overdrafts	14,743	31,840
Lease finance charges and hire purchase interest	16,821	3,546
On overdue tax	-	(61)
	<u> </u>	<u> </u>
	31,564	35,325
	<u> </u>	<u> </u>
4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2000	1999
	Number	Number
Sales / administration	18	22
Production	70	75
	<u> </u>	<u> </u>
	88	97
	<u> </u>	<u> </u>
Employment costs	2000	1999
	£	£
Wages and salaries	1,462,336	1,571,975
Social security costs	139,903	150,471
Other pension costs	21,728	17,526
	<u> </u>	<u> </u>
	1,623,967	1,739,972
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000

4.1. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
Remuneration and other emoluments	155,367	135,787
Pension contributions	11,939	9,839
	<u>167,306</u>	<u>145,626</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>

5. TAXATION

	2000 £	1999 £
UK current year taxation		
UK Corporation Tax at 20% (1999 - 21%)	11,156	22,576
Transfer from deferred taxation	(2,353)	14,962
	<u>8,803</u>	<u>37,538</u>
Prior years		
UK Corporation Tax	-	(5,655)
	<u>8,803</u>	<u>31,883</u>

6. TANGIBLE FIXED ASSETS

	Heritable Property	Plant & Equipment	Office Equipment	Motor Vehicles	Vans & Lorries	Total
	£	£	£	£	£	£
Cost or revaluation						
At 1st July 1999	268,023	194,714	210,836	250,095	564,675	1,488,343
Additions	1,630	32,839	8,418	76,659	171,774	291,320
Disposals	-	-	(5,753)	(25,663)	(14,150)	(45,566)
At 30th June 2000	<u>269,653</u>	<u>227,553</u>	<u>213,501</u>	<u>301,091</u>	<u>722,299</u>	<u>1,734,097</u>
Depreciation						
At 1st July 1999	61,426	178,182	174,977	118,508	232,194	765,287
On disposals	-	-	(5,753)	(19,068)	(14,150)	(38,971)
Charge for the period	9,498	16,967	18,660	62,779	97,658	205,562
At 30th June 2000	<u>70,924</u>	<u>195,149</u>	<u>187,884</u>	<u>162,219</u>	<u>315,702</u>	<u>931,878</u>
Net book values						
At 30th June 2000	<u>198,729</u>	<u>32,404</u>	<u>25,617</u>	<u>138,872</u>	<u>406,597</u>	<u>802,219</u>
At 30th June 1999	<u>206,597</u>	<u>16,532</u>	<u>35,859</u>	<u>131,587</u>	<u>332,481</u>	<u>723,056</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000**

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2000		1999	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor Vehicles	488,206	109,301	389,178	5,451

7. STOCKS

	2000 £	1999 £
Raw materials and consumables	139,205	150,507
Work in progress	17,593	972
	156,798	151,479
Finished goods and goods for resale	19,377	12,958
	176,175	164,437

8. DEBTORS

	2000 £	1999 £
Trade debtors	849,658	897,342
Other debtors	1,043	101
Prepayments and accrued income	56,573	50,293
	907,274	947,736

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000**

**9. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2000	1999
	£	£
Bank overdraft	-	260,681
Bank loan	15,000	-
Net obligations under finance leases and hire purchase contracts	147,406	152,409
Trade creditors	563,599	452,664
Corporation tax	11,156	22,575
Other taxes and social security costs	134,574	80,955
Other creditors	-	7,741
Accruals and deferred income	73,941	53,742
	945,676	1,030,767

The bank loan is secured by a bond and floating charge over all the assets of the company and by a standard security over the heritable property.

**10. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	2000	1999
	£	£
Bank loan	122,500	-
Net obligations under finance leases and hire purchase contracts	305,953	276,192
	428,453	276,192

Loans

Repayable in one year or less, or on demand (Note 9)	15,000	-
Repayable between one and two years	15,000	-
Repayable between two and five years	45,000	-
Repayable in five years or more	62,500	-
	137,500	-

The bank loan is secured by a bond and floating charge over all the assets of the company and by a standard security over the heritable property.

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	147,406	152,409
Repayable between one and five years	305,953	276,192
	453,359	428,601

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is analysed over the following timing differences:

	Provided	
	2000	1999
	£	£
Accelerated capital allowances	12,609	14,962
Movements on the provision for deferred taxation are:	2000	1999
	£	£
At 1st July 1999	14,962	-
Transferred to profit and loss account	(2,353)	14,962
At 30th June 2000	12,609	14,962

12. SHARE CAPITAL

	2000	1999
	£	£
Authorised equity		
45,000 Ordinary shares of £2 each	90,000	90,000
Allotted, called up and fully paid equity		
39,250 Ordinary shares of £2 each	78,500	78,500

13. EQUITY RESERVES

	Profit and loss account	Capital redemption reserve	Total
	£	£	£
At 1st July 1999	426,758	11,500	438,258
Retained profit for the year	9,372	-	9,372
At 30th June 2000	436,130	11,500	447,630

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000**

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	9,372	133,194
Net proceeds of equity share issue	-	(11,500)
Other recognised gains or losses	-	(3,500)
	<u>9,372</u>	<u>118,194</u>
Net addition to shareholders' funds	9,372	118,194
Opening shareholders' funds	516,758	398,564
	<u>526,130</u>	<u>516,758</u>
Analysis of shareholders funds:		
Equity	<u>526,130</u>	<u>516,758</u>

15. FINANCIAL COMMITMENTS

At 30th June 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiry date:				
Within one year	-	-	-	1,302
Between one and five years	15,000	15,000	18,692	14,398
	<u>15,000</u>	<u>15,000</u>	<u>18,692</u>	<u>15,700</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000

16. GROSS CASH FLOWS

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	(31,421)	(35,182)
Interest element of finance lease rental payments	(143)	(143)
	<u>(31,564)</u>	<u>(35,325)</u>
Taxation		
Corporation tax paid	<u>(22,575)</u>	<u>5,654</u>
Capital expenditure		
Payments to acquire tangible assets	(291,320)	(436,057)
Receipts from sales of tangible assets	12,196	700
	<u>(279,124)</u>	<u>(435,357)</u>
Financing		
Issue of ordinary share capital	-	(15,000)
New long term bank loan	135,000	-
New short term bank loan	15,000	-
Repayment of long term bank loan	(12,500)	-
Repayment of hire purchase contracts and finance leases	(171,172)	(29,570)
New hire purchase contracts and finance leases	195,930	437,882
	<u>162,258</u>	<u>393,312</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	3,450	23,750	-	27,200
Overdrafts	(260,681)	260,681	-	-
	<u>(257,231)</u>	<u>284,431</u>	<u>-</u>	<u>27,200</u>
Debt due within one year	-	(15,000)	-	(15,000)
Debt due after one year	-	12,500	(135,000)	(122,500)
Finance leases	(428,601)	171,172	(195,930)	(453,359)
	<u>(428,601)</u>	<u>168,672</u>	<u>(330,930)</u>	<u>(590,859)</u>
Net debt	<u>(685,832)</u>	<u>453,103</u>	<u>(330,930)</u>	<u>(563,659)</u>