

LIGHTWAYS (CONTRACTORS) LIMITED

COMPANY NUMBER 64413

REGISTERED OFFICE UNIT 6
LOCHLANDS INDUSTRIAL ESTATE
LARBERT
FK5 3NS

AUDITORS BLUEPRINT SCOTLAND
37 WELLSIDE PLACE
FALKIRK
FK1 5RL

ACCOUNTANTS AND
BUSINESS ADVISERS TENON SCOTLAND
37 WELLSIDE PLACE
FALKIRK
FK1 5RL

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2001

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IAM

LIGHTWAYS (CONTRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2001

The directors present their report and the audited financial statements for the year ended 30th June 2001.

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 5.

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 '01	At 1st Jul '00 or subsequent date of appointment
James Hornall	29,250	29,250
Steven James Beaton	2,250	2,250
John Gardner McLauchlan	-	-
Denise Hornall (Appointed 1st April 2001)	-	-
James Wright (Appointed 1st April 2001)	2,500	2,500
Robina Ferguson Wright (Appointed 1st April 2001)	-	-

The above shareholding for James Hornall includes 3,500 shares held by his children. James Wright also has a beneficial interest in 10,500 shares held by various members of his family.

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.

LIGHTWAYS (CONTRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2001

AUDITORS

The auditors, Scott Oswald have transferred their audit business to Blueprint Scotland. In accordance with section 26 of the Companies Act 1989, Blueprint Scotland have been appointed as auditors to succeed Scott Oswald, and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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 30th November 2001 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 5 to 15, together with the financial statements of Lightways (Contractors) Limited for the year ended 30th June 2001 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.

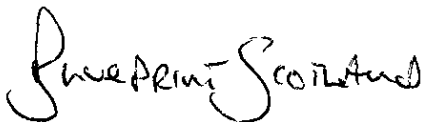
BASIS OF OPINION

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 2001, and the abbreviated accounts on pages 5 to 15 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.



**BLUEPRINT SCOTLAND
REGISTERED AUDITOR
FALKIRK**

Dated: 30th November 2001

Blueprint Scotland is a trading name of Blueprint Audit Limited.

LIGHTWAYS (CONTRACTORS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2001**

	Note	2001 £	2000 £
GROSS PROFIT		1,230,773	1,090,344
Administrative expenses		(1,145,767)	(1,040,605)
OPERATING PROFIT	2	85,006	49,739
Interest payable and similar charges	3	(44,034)	(31,564)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,972	18,175
Tax on profit on ordinary activities	5	(12,847)	(8,803)
RETAINED PROFIT FOR THE YEAR		28,125	9,372
Retained profit brought forward		436,130	426,758
RETAINED PROFIT CARRIED FORWARD		464,255	436,130

All amounts relate to continuing activities.

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

The notes on pages 8 to 15 form an integral part of these accounts.

LIGHTWAYS (CONTRACTORS) LIMITED

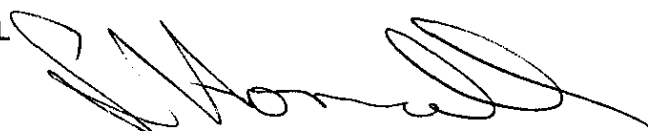
BALANCE SHEET AS AT 30TH JUNE 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	877,193	802,219
CURRENT ASSETS			
Stocks	7	263,621	176,175
Debtors	8	1,312,149	907,274
Cash at bank and in hand		1,418	27,200
		<u>1,577,188</u>	<u>1,110,649</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(1,452,737)</u>	<u>(945,676)</u>
NET CURRENT ASSETS		<u>124,451</u>	<u>164,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,001,644</u>	<u>967,192</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	<u>(434,553)</u>	<u>(428,453)</u>
PROVISION FOR LIABILITIES AND CHARGES	11	<u>(12,836)</u>	<u>(12,609)</u>
NET ASSETS		<u><u>554,255</u></u>	<u><u>526,130</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	464,255	436,130
EQUITY SHAREHOLDERS' FUNDS	14	<u><u>554,255</u></u>	<u><u>526,130</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 30th November 2001 and signed on its behalf by

JAMES HORNALL
DIRECTOR



The notes on pages 8 to 15 form an integral part of these accounts.

LIGHTWAYS (CONTRACTORS) LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 30TH JUNE 2001**

	Notes	2001 £	2000 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit		85,006	49,739
Depreciation		248,140	199,961
(Increase) in stocks		(87,446)	(11,738)
(Increase)/Decrease in debtors		(404,875)	40,462
Increase in creditors		282,455	177,012
NET CASH INFLOW FROM OPERATING ACTIVITIES		123,280	455,436

CASH FLOW STATEMENT

Net cash inflow from operating activities		123,280	455,436
Returns on investments and servicing of finance	16	(44,034)	(31,564)
Taxation	16	(11,156)	(22,575)
Capital expenditure	16	(323,114)	(279,124)
		(255,024)	122,173
Financing	16	67,149	162,258
(Decrease)/Increase in cash in the year		(187,875)	284,431

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

(DECREASE)/INCREASE IN CASH IN THE YEAR		(187,875)	284,431
Cash outflow from increase in debts and lease financing		187,647	33,672
Change in net funds resulting from cash flows		(228)	318,103
New finance leases		(254,796)	(195,930)
Movement in net debt in the year		(255,024)	122,173
Net debt at 1st July 2000		(563,659)	(685,832)
NET DEBT AT 30TH JUNE 2001		(818,683)	(563,659)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

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.

LIGHTWAYS (CONTRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

2. OPERATING PROFIT	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	248,140	205,562
Operating lease rentals - Plant and machinery	3,957	4,953
Operating lease rentals - Land and buildings	15,000	15,000
Auditors' remuneration	6,350	6,000
and after crediting:		
Profit/(loss) on disposal of tangible fixed assets	-	5,601
3. INTEREST PAYABLE AND SIMILAR CHARGES	2001	2000
	£	£
On bank loans and overdrafts	17,881	14,743
Lease finance charges and hire purchase interest	26,153	16,821
	44,034	31,564
4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2001	2000
	Number	Number
Sales / administration	20	18
Production	70	70
	90	88
Employment costs	2001	2000
	£	£
Wages and salaries	1,572,770	1,462,336
Social security costs	154,583	139,903
Other pension costs	18,472	21,728
	1,745,825	1,623,967

LIGHTWAYS (CONTRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

4.1. DIRECTORS' EMOLUMENTS

	2001	2000
	£	£
Remuneration and other emoluments	184,563	155,367
Pension contributions	9,726	11,939
	194,289	167,306
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	4	3

5. TAXATION

	2001	2000
	£	£
UK current year taxation		
UK Corporation Tax at 20% (2000 - 20%)	12,620	11,156
Transfer to deferred taxation	227	(2,353)
	12,847	8,803

LIGHTWAYS (CONTRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

6. TANGIBLE FIXED ASSETS

	Heritable Property	Plant & Equipment	Office Equipment	Motor Vehicles	Vans & Lorries	Total
	£	£	£	£	£	£
Cost or revaluation						
At 1st July 2000	269,653	227,553	213,501	301,091	722,299	1,734,097
Additions	-	35,249	32,738	72,476	182,651	323,114
Disposals	-	-	-	-	(41,650)	(41,650)
At 30th June 2001	269,653	262,802	246,239	373,567	863,300	2,015,561
Depreciation						
At 1st July 2000	70,924	195,149	187,884	162,219	315,702	931,878
On disposals	-	-	-	-	(41,650)	(41,650)
Charge for the period	9,498	19,153	17,687	61,453	140,349	248,140
At 30th June 2001	80,422	214,302	205,571	223,672	414,401	1,138,368
Net book values						
At 30th June 2001	189,231	48,500	40,668	149,895	448,899	877,193
At 30th June 2000	198,729	32,404	25,617	138,872	406,597	802,219

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

Asset description	2001		2000	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor Vehicles	557,253	158,519	488,206	109,301

7. STOCKS

	2001 £	2000 £
Raw materials and consumables	215,512	139,205
Work in progress	35,999	17,593
	251,511	156,798
Finished goods and goods for resale	12,110	19,377
	263,621	176,175

LIGHTWAYS (CONTRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001****8. DEBTORS**

	2001	2000
	£	£
Trade debtors	1,251,640	849,658
Other debtors	7,234	1,043
Prepayments and accrued income	53,275	56,573
	<u>1,312,149</u>	<u>907,274</u>

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

	2001	2000
	£	£
Bank overdraft	162,093	-
Bank loan	15,000	15,000
Net obligations under finance leases and hire purchase contracts	208,455	147,406
Trade creditors	780,331	563,599
Corporation tax	12,620	11,156
Other taxes and social security costs	176,174	134,574
Accruals and deferred income	98,064	73,941
	<u>1,452,737</u>	<u>945,676</u>

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

LIGHTWAYS (CONTRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

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

	2001	2000
	£	£
Bank loan	107,500	122,500
Net obligations under finance leases and hire purchase contracts	327,053	305,953
	434,553	428,453
Loans		
Repayable in one year or less, or on demand (Note 9)	15,000	15,000
Repayable between one and two years	15,000	15,000
Repayable between two and five years	45,000	45,000
Repayable in five years or more	47,500	62,500
	122,500	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	208,455	147,406
Repayable between one and five years	327,053	305,953
	535,508	453,359

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is analysed over the following timing differences:

	Provided	
	2001	2000
	£	£
Accelerated capital allowances	12,836	12,609
Movements on the provision for deferred taxation are:		
	2001	2000
	£	£
At 1st July 2000	12,609	14,962
Transferred from profit and loss account	227	(2,353)
At 30th June 2001	12,836	12,609

LIGHTWAYS (CONTRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2001

12. SHARE CAPITAL	2001 £	2000 £
Authorised equity		
45,000 Ordinary shares of £2 each	<u>90,000</u>	<u>90,000</u>
Allotted, called up and fully paid equity		
39,250 Ordinary shares of £2 each	<u>78,500</u>	<u>78,500</u>

13. EQUITY RESERVES	Profit and loss account £	Capital redemption reserve £	Total £
At 1st July 2000	436,130	11,500	447,630
Retained profit for the year	28,125	-	28,125
At 30th June 2001	<u>464,255</u>	<u>11,500</u>	<u>475,755</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001 £	2000 £
Profit for the year	28,125	9,372
Opening shareholders' funds	<u>526,130</u>	<u>516,758</u>
	<u>554,255</u>	<u>526,130</u>
Analysis of shareholders funds:		
Equity	<u>554,255</u>	<u>526,130</u>

15. FINANCIAL COMMITMENTS
At 30th June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Within one year	2,500	-	2,481	-
Between one and five years	-	15,000	1,431	18,692
	<u>2,500</u>	<u>15,000</u>	<u>3,912</u>	<u>18,692</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001

16. GROSS CASH FLOWS

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest paid	(43,891)	(31,421)
Interest element of finance lease rental payments	(143)	(143)
	<u>(44,034)</u>	<u>(31,564)</u>
Taxation		
Corporation tax paid	<u>(11,156)</u>	<u>(22,575)</u>
Capital expenditure		
Payments to acquire tangible assets	(323,114)	(291,320)
Receipts from sales of tangible assets	-	12,196
	<u>(323,114)</u>	<u>(279,124)</u>
Financing		
New long term bank loan	-	135,000
New short term bank loan	-	15,000
Repayment of long term bank loan	(15,000)	(12,500)
Repayment of hire purchase contracts and finance leases	(172,647)	(171,172)
New hire purchase contracts and finance leases	254,796	195,930
	<u>67,149</u>	<u>162,258</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	27,200	(25,782)	-	1,418
Overdrafts	-	(162,093)	-	(162,093)
	<u>27,200</u>	<u>(187,875)</u>	<u>-</u>	<u>(160,675)</u>
Debt due within one year	(15,000)	-	-	(15,000)
Debt due after one year	(122,500)	15,000	-	(107,500)
Finance leases	(453,359)	172,647	(254,796)	(535,508)
	<u>(590,859)</u>	<u>187,647</u>	<u>(254,796)</u>	<u>(658,008)</u>
Net debt	<u>(563,659)</u>	<u>(228)</u>	<u>(254,796)</u>	<u>(818,683)</u>