

LIGHTWAYS (CONTRACTORS) LIMITED

COMPANY NUMBER 64413

REGISTERED OFFICE UNIT 6
LOCHLANDS INDUSTRIAL ESTATE
LARBERT
FK5 3NS

AUDITORS BLUEPRINT AUDIT LIMITED
UNIT 3, GATEWAY BUSINESS PARK
BEANCROSS ROAD
GRANGEMOUTH
FK3 8WX

**ACCOUNTANTS AND
BUSINESS ADVISERS** TENON LIMITED
UNIT 3, GATEWAY BUSINESS PARK
BEANCROSS ROAD
GRANGEMOUTH
FK3 8WX

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2002

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DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2002

The directors present their report and the audited financial statements for the year ended 30th June 2002.

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 '02	At 1st Jul '01
James Hornall	29,250	29,250
Steven James Beaton	2,250	2,250
John Gardner McLauchlan	-	-
Denise Hornall	-	-
James Wright	2,500	2,500
Robina Ferguson Wright	-	-

The above shareholding for James Hornall includes 3,500 shares held by his children. James Wright also has a beneficial interest in 5,250 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.

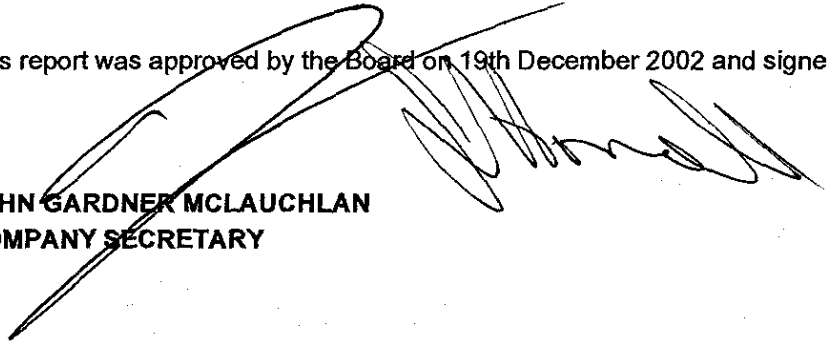
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Blueprint Audit Limited 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 19th December 2002 and signed on its behalf by



JOHN GARDNER MCLAUCHLAN
COMPANY SECRETARY

**INDEPENDENT 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 2002 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.

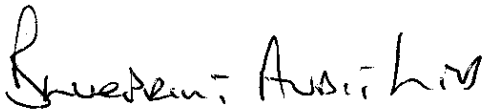
BASIS OF OPINION

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 2002, 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 AUDIT LIMITED
REGISTERED AUDITOR
GRANGEMOUTH**

Dated: 19th December 2002

LIGHTWAYS (CONTRACTORS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2002**

	Note	2002 £	2001 £
GROSS PROFIT		1,276,067	1,230,773
Administrative expenses		<u>(1,282,265)</u>	<u>(1,145,767)</u>
OPERATING (LOSS)/PROFIT	2	(6,198)	85,006
Interest payable and similar charges	3	<u>(63,126)</u>	<u>(44,034)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(69,324)	40,972
Tax on (loss)/profit on ordinary activities	5	<u>(1,248)</u>	<u>(12,847)</u>
(LOSS)/RETAINED PROFIT FOR THE YEAR		(70,572)	28,125
Retained profit brought forward		<u>464,255</u>	<u>436,130</u>
RETAINED PROFIT CARRIED FORWARD		<u>393,683</u>	<u>464,255</u>

All amounts relate to continuing activities.

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

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

LIGHTWAYS (CONTRACTORS) LIMITED

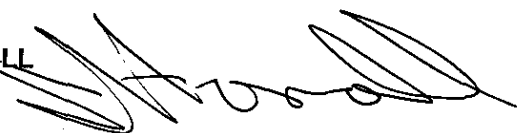
**BALANCE SHEET
AS AT 30TH JUNE 2002**

	Note	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		917,949		877,193
CURRENT ASSETS					
Stocks	7	384,256		263,621	
Debtors	8	1,317,752		1,312,149	
Cash at bank and in hand		1,208		1,418	
		<u>1,703,216</u>		<u>1,577,188</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(1,689,654)</u>		<u>(1,452,737)</u>	
NET CURRENT ASSETS			13,562		124,451
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>931,511</u>		<u>1,001,644</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		(421,119)		(434,553)
PROVISION FOR LIABILITIES AND CHARGES	11		<u>(26,709)</u>		<u>(12,836)</u>
NET ASSETS			<u><u>483,683</u></u>		<u><u>554,255</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		393,683		464,255
EQUITY SHAREHOLDERS' FUNDS	14		<u><u>483,683</u></u>		<u><u>554,255</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 19th December 2002 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 2002**

	Notes	2002 £	2001 £
RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating (loss)/profit		(6,198)	85,006
Depreciation		297,257	248,140
(Increase) in stocks		(120,635)	(87,446)
Decrease/(Increase) in debtors		7,017	(404,875)
Increase in creditors		39,549	282,455
NET CASH INFLOW FROM OPERATING ACTIVITIES		216,990	123,280
CASH FLOW STATEMENT			
Net cash inflow from operating activities		216,990	123,280
Returns on investments and servicing of finance	16	(63,126)	(44,034)
Taxation	16	(12,615)	(11,156)
Capital expenditure	16	(338,013)	(323,114)
		(196,764)	(255,024)
Financing	16	38,946	67,149
(Decrease) in cash in the year		(157,818)	(187,875)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 17)			
(DECREASE) IN CASH IN THE YEAR		(157,818)	(187,875)
Cash outflow from increase in debts and lease financing		169,508	187,647
Change in net debt resulting from cash flows		11,690	(228)
New finance leases		(208,454)	(254,796)
Movement in net debt in the year		(196,764)	(255,024)
Net debt at 1st July 2001		(818,683)	(563,659)
NET DEBT AT 30TH JUNE 2002		(1,015,447)	(818,683)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

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
Lease Imprvmnts	-	25% Straight Line
Plant & Equip.	-	20% - 33.33% Straight Line
Office Equip.	-	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 2002**

2. OPERATING (LOSS)/PROFIT	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	318,960	248,140
Operating lease rentals - Plant and machinery	4,284	3,957
Operating lease rentals - Land and buildings	20,608	15,000
Auditors' remuneration	2,292	2,350
	<u>345,944</u>	<u>269,447</u>
and after crediting:		
Profit/(loss) on disposal of tangible fixed assets	21,703	-
	<u>367,647</u>	<u>269,447</u>
3. INTEREST PAYABLE AND SIMILAR CHARGES	2002	2001
	£	£
On bank loans and overdrafts	19,657	17,881
Lease finance charges and hire purchase interest	43,469	26,153
	<u>63,126</u>	<u>44,034</u>
4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2002	2001
	Number	Number
Sales / administration	22	20
Production	79	70
	<u>101</u>	<u>90</u>
Employment costs	2002	2001
	£	£
Wages and salaries	1,944,684	1,572,770
Social security costs	190,606	154,583
Other pension costs	21,803	18,472
	<u>2,157,093</u>	<u>1,745,825</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

4.1. DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Remuneration and other emoluments	250,680	184,563
Pension contributions	9,551	9,726
	260,231	194,289
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	4	4

5. TAXATION

	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax at 0 % (2001 - 20%)	-	12,620
Transfer to deferred taxation	13,873	227
	13,873	12,847
Prior years		
UK Corporation Tax	(12,625)	-
	1,248	12,847

LIGHTWAYS (CONTRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

6. TANGIBLE FIXED ASSETS

	Heritable Property	Lease Imprvmts	Plant & Equip.	Office Equip.	Motor Vehicles	Vans & Lorries	Total
	£	£	£	£	£	£	£
Cost or revaluation							
At 1st July 2001	251,803	17,850	262,801	246,240	373,567	863,300	2,015,561
Additions	-	17,657	10,309	6,784	20,221	349,467	404,438
Disposals	-	-	(10,062)	-	(246,921)	(6,771)	(263,754)
At 30th June 2002	251,803	35,507	263,048	253,024	146,867	1,205,996	2,156,245
Depreciation							
At 1st July 2001	65,186	15,237	214,301	205,571	223,672	414,401	1,138,368
On disposals	-	-	(9,211)	-	(207,403)	(2,418)	(219,032)
Charge for the period	5,036	2,680	20,722	20,073	55,839	214,610	318,960
At 30th June 2002	70,222	17,917	225,812	225,644	72,108	626,593	1,238,296
Net book values							
At 30th June 2002	181,581	17,590	37,236	27,380	74,759	579,403	917,949
At 30th June 2001	186,617	2,613	48,500	40,669	149,895	448,899	877,193

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

Asset description	2002		2001	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Motor Vehicles	629,814	204,205	557,253	158,519

7. STOCKS

	2002 £	2001 £
Raw materials and consumables	270,512	215,512
Work in progress	100,082	35,999
	370,594	251,511
Finished goods and goods for resale	13,662	12,110
	384,256	263,621

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

8. DEBTORS

	2002	2001
	£	£
Trade debtors	1,210,734	1,251,640
Other debtors	49,617	7,234
Prepayments and accrued income	57,401	53,275
	<u>1,317,752</u>	<u>1,312,149</u>

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

	2002	2001
	£	£
Bank overdraft	319,701	162,093
Bank loan	15,000	15,000
Net obligations under finance leases and hire purchase contracts	260,835	208,455
Trade creditors	801,442	780,331
Corporation tax	-	12,620
Other taxes and social security costs	223,523	176,174
Accruals and deferred income	69,153	98,064
	<u>1,689,654</u>	<u>1,452,737</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.

Certain directors have also assigned life policies in favour of the bank.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

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

	2002	2001
	£	£
Bank loan	92,500	107,500
Net obligations under finance leases and hire purchase contracts	328,619	327,053
	<u>421,119</u>	<u>434,553</u>
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	32,500	47,500
	<u>107,500</u>	<u>122,500</u>

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	260,835	208,455
Repayable between one and five years	328,619	327,053
	<u>589,454</u>	<u>535,508</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is analysed over the following timing differences:

	Provided	
	2002	2001
	£	£
Accelerated capital allowances	<u>26,709</u>	<u>12,836</u>
Movements on the provision for deferred taxation are:		
	2002	2001
	£	£
At 1st July 2001	12,836	12,609
Transferred from profit and loss account	13,873	227
At 30th June 2002	<u>26,709</u>	<u>12,836</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

12. SHARE CAPITAL

	2002 £	2001 £
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 2001	464,255	11,500	475,755
Loss for the year	(70,572)	-	(70,572)
At 30th June 2002	<u>393,683</u>	<u>11,500</u>	<u>405,183</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
(Loss)/profit for the year	(70,572)	28,125
Opening shareholders' funds	<u>554,255</u>	<u>526,130</u>
	<u>483,683</u>	<u>554,255</u>
Analysis of shareholders funds:		
Equity	<u>483,683</u>	<u>554,255</u>

15. FINANCIAL COMMITMENTS

At 30th June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiry date:				
Within one year	-	2,500	1,160	2,481
Between one and five years	<u>26,000</u>	<u>-</u>	<u>9,394</u>	<u>1,431</u>
	<u>26,000</u>	<u>2,500</u>	<u>10,554</u>	<u>3,912</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

16. GROSS CASH FLOWS

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(62,983)	(43,891)
Interest element of finance lease rental payments	(143)	(143)
	<u>(63,126)</u>	<u>(44,034)</u>
Taxation		
Corporation tax paid	(12,615)	(11,156)
	<u></u>	<u></u>
Capital expenditure		
Payments to acquire tangible assets	(404,438)	(323,114)
Receipts from sales of tangible assets	66,425	-
	<u>(338,013)</u>	<u>(323,114)</u>
Financing		
Repayment of long term bank loan	(15,000)	(15,000)
Repayment of hire purchase contracts and finance leases	(154,508)	(172,647)
New hire purchase contracts and finance leases	208,454	254,796
	<u>38,946</u>	<u>67,149</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	1,418	(210)	-	1,208
Overdrafts	(162,093)	(157,608)	-	(319,701)
	<u>(160,675)</u>	<u>(157,818)</u>	<u>-</u>	<u>(318,493)</u>
Debt due within one year	(15,000)	-	-	(15,000)
Debt due after one year	(107,500)	15,000	-	(92,500)
Finance leases	(535,508)	154,508	(208,454)	(589,454)
	<u>(658,008)</u>	<u>169,508</u>	<u>(208,454)</u>	<u>(696,954)</u>
Net debt	<u>(818,683)</u>	<u>11,690</u>	<u>(208,454)</u>	<u>(1,015,447)</u>