

LIGHTWAYS (CONTRACTORS) LIMITED

COMPANY NUMBER 64413

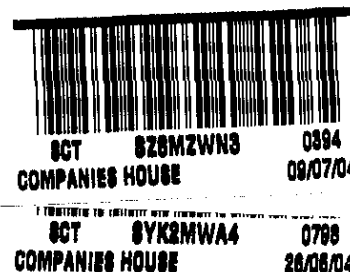
REGISTERED OFFICE UNIT 6
LOCHLANDS INDUSTRIAL ESTATE
LARBERT
FK5 3NS

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 2003

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LIGHTWAYS (CONTRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2003

The directors present their report and the audited financial statements for the year ended 30th June 2003.

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 '03	At 1st Jul '02
James Hornall	25,750	25,750
Steven James Beaton	2,250	2,250
John Gardner McLauchlan	-	-
Denise Hornall	-	-
James Wright	2,500	2,500
Robina Ferguson Wright	-	-

James Hornall has a beneficial interest in the shares of the company by virtue of the 3,500 shares held by members of his family. James Wright also has a beneficial interest in the 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.

LIGHTWAYS (CONTRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2003

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 8th June 2004 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 2003 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.

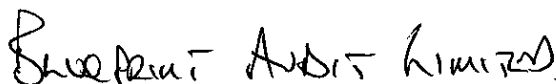
BASIS OF OPINION

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 2003, 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: 8th June 2004

LIGHTWAYS (CONTRACTORS) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2003**

	Note	2003 £	2002 £
GROSS PROFIT		1,477,245	1,276,067
Administrative expenses		<u>(1,417,159)</u>	<u>(1,282,265)</u>
OPERATING PROFIT/(LOSS)	2	60,086	(6,198)
Interest payable and similar charges	3	<u>(59,150)</u>	<u>(63,126)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		936	(69,324)
Tax on profit/(loss) on ordinary activities	5	<u>6,242</u>	<u>(1,248)</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR		7,178	(70,572)
Retained profit brought forward		<u>393,683</u>	<u>464,255</u>
RETAINED PROFIT CARRIED FORWARD		<u>400,861</u>	<u>393,683</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 8 to 15 form an integral part of these accounts.

LIGHTWAYS (CONTRACTORS) LIMITED

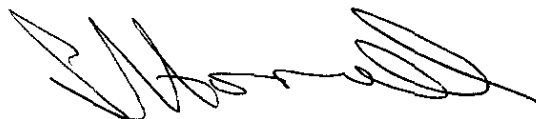
**BALANCE SHEET
AS AT 30TH JUNE 2003**

		2003		2002	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	6		647,786		917,949
CURRENT ASSETS					
Stocks	7	324,174		384,256	
Debtors	8	1,369,815		1,317,752	
Cash at bank and in hand		1,519		1,208	
		<u>1,695,508</u>		<u>1,703,216</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(1,641,034)</u>		<u>(1,689,654)</u>	
NET CURRENT ASSETS			54,474		13,562
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>702,260</u>		<u>931,511</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		(204,967)		(421,119)
PROVISION FOR LIABILITIES AND CHARGES	11		(6,432)		(26,709)
NET ASSETS			<u>490,861</u>		<u>483,683</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		400,861		393,683
EQUITY SHAREHOLDERS' FUNDS	14		<u>490,861</u>		<u>483,683</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 8th June 2004 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 2003**

	Notes	2003 £	2002 £
RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss)		60,086	(6,198)
Depreciation		254,099	297,257
Decrease/(Increase) in stocks		60,082	(120,635)
(Increase)/Decrease in debtors		(52,063)	7,017
Increase in creditors		254,014	39,549
NET CASH INFLOW FROM OPERATING ACTIVITIES		576,218	216,990

CASH FLOW STATEMENT

Net cash inflow from operating activities		576,218	216,990
Returns on investments and servicing of finance	16	(59,150)	(63,126)
Taxation	16	-	(12,615)
Capital expenditure	16	16,064	(338,013)
		533,132	(196,764)
Financing	16	(289,397)	38,946
Increase/(Decrease) in cash in the year		243,735	(157,818)

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

INCREASE/(DECREASE) IN CASH IN THE YEAR		243,735	(157,818)
Cash outflow from increase in debts and lease financing		289,397	169,508
Change in net funds resulting from cash flows		533,132	11,690
New finance leases		-	(208,454)
Movement in net funds in the year		533,132	(196,764)
Net debt at 1st July 2002		(1,015,447)	(818,683)
NET DEBT AT 30TH JUNE 2003		(482,315)	(1,015,447)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

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 Imprvmts	-	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

The company provides for deferred taxation in accordance with FRS 19 which requires full provision for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and the tax computations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

2. OPERATING PROFIT/(LOSS)	2003	2002
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	265,016	318,960
Operating lease rentals - Plant and machinery	-	4,284
Operating lease rentals - Land and buildings	26,000	20,608
Auditors' remuneration	4,250	2,292
	<u> </u>	<u> </u>
and after crediting:		
Profit/(loss) on disposal of tangible fixed assets	10,917	21,703
	<u> </u>	<u> </u>
3. INTEREST PAYABLE AND SIMILAR CHARGES	2003	2002
	£	£
On bank loans and overdrafts	16,347	19,657
Lease finance charges and hire purchase interest	40,846	43,469
On overdue tax	1,957	-
	<u> </u>	<u> </u>
	59,150	63,126
	<u> </u>	<u> </u>
4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2003	2002
	Number	Number
Sales / administration	23	22
Production	83	79
	<u> </u>	<u> </u>
	106	101
	<u> </u>	<u> </u>
Employment costs	2003	2002
	£	£
Wages and salaries	2,224,833	1,944,684
Social security costs	212,904	190,606
Other pension costs	22,453	21,803
	<u> </u>	<u> </u>
	2,460,190	2,157,093
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

4.1. DIRECTORS' EMOLUMENTS

	2003	2002
	£	£
Remuneration and other emoluments	181,220	250,680
Pension contributions	9,863	9,551
	191,083	260,231
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	4	4

5. TAXATION

	2003	2002
	£	£
UK current year taxation		
UK Corporation Tax	14,035	-
Transfer from deferred taxation	(20,277)	13,873
	(6,242)	13,873
Prior years		
UK Corporation Tax	-	(12,625)
	(6,242)	1,248

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

6. TANGIBLE FIXED ASSETS

	Heritable Property	Lease Imprvmts	Plant & Equip.	Office Equip.	Motor Vehicles	Vans & Lorries	Total
	£	£	£	£	£	£	£
Cost or revaluation							
At 1st July 2002	251,803	35,507	263,048	253,024	146,867	1,205,996	2,156,245
Additions	-	12,030	7,688	4,218	-	8,000	31,936
Disposals	-	-	(5,500)	-	(32,415)	(50,000)	(87,915)
At 30th June 2003	251,803	47,537	265,236	257,242	114,452	1,163,996	2,100,266
Depreciation							
At 1st July 2002	70,222	17,917	225,812	225,644	72,108	626,593	1,238,296
On disposals	-	-	(5,500)	-	(30,332)	(15,000)	(50,832)
Charge for the period	5,036	7,065	17,204	17,982	30,696	187,033	265,016
At 30th June 2003	75,258	24,982	237,516	243,626	72,472	798,626	1,452,480
Net book values							
At 30th June 2003	176,545	22,555	27,720	13,616	41,980	365,370	647,786
At 30th June 2002	181,581	17,590	37,236	27,380	74,759	579,403	917,949

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

Asset description	2003		2002	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor Vehicles	399,564	201,215	629,814	204,205

7. STOCKS

	2003 £	2002 £
Raw materials and consumables	249,089	270,512
Work in progress	65,193	100,082
	314,282	370,594
Finished goods and goods for resale	9,892	13,662
	324,174	384,256

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

8. DEBTORS

	2003	2002
	£	£
Trade debtors	1,271,415	1,210,734
Other debtors	18,710	49,617
Prepayments and accrued income	79,690	57,401
	<u>1,369,815</u>	<u>1,317,752</u>

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

	2003	2002
	£	£
Bank overdraft	76,277	319,701
Bank loan	15,000	15,000
Net obligations under finance leases and hire purchase contracts	187,590	260,835
Trade creditors	1,124,580	801,442
Corporation tax	14,035	-
Other taxes and social security costs	156,159	223,523
Accruals and deferred income	67,393	69,153
	<u>1,641,034</u>	<u>1,689,654</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 2003

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

	2003 £	2002 £
Bank loan	77,500	92,500
Net obligations under finance leases and hire purchase contracts	127,467	328,619
	<u>204,967</u>	<u>421,119</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	17,500	32,500
	<u>92,500</u>	<u>107,500</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	187,590	260,835
Repayable between one and five years	127,467	328,619
	<u>315,057</u>	<u>589,454</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is analysed over the following timing differences:

	Provided	
	2003 £	2002 £
Accelerated capital allowances	<u>6,432</u>	<u>26,709</u>
Movements on the provision for deferred taxation are:	2003 £	2002 £
At 1st July 2002	26,709	12,836
Transferred to profit and loss account	(20,277)	13,873
At 30th June 2003	<u>6,432</u>	<u>26,709</u>

LIGHTWAYS (CONTRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

12. SHARE CAPITAL		2003	2002
		£	£
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 2002	393,683	11,500	405,183
Retained profit for the year	7,178	-	7,178
At 30th June 2003	<u>400,861</u>	<u>11,500</u>	<u>412,361</u>
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			
	2003	2002	
	£	£	
Profit/(loss) for the year	7,178	(70,572)	
Opening shareholders' funds	<u>483,683</u>	<u>554,255</u>	
	<u>490,861</u>	<u>483,683</u>	
Analysis of shareholders funds:			
Equity	<u>490,861</u>	<u>483,683</u>	
15. FINANCIAL COMMITMENTS			
At 30th June 2003 the company had annual commitments under non-cancellable operating leases as follows:			
	Land and buildings		Other
	2003	2002	2003
	£	£	£
Expiry date:			
Within one year	-	-	1,160
Between one and five years	<u>17,500</u>	<u>26,000</u>	<u>9,394</u>
	<u>17,500</u>	<u>26,000</u>	<u>10,554</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

16. GROSS CASH FLOWS

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest paid	(59,007)	(62,983)
Interest element of finance lease rental payments	(143)	(143)
	<u>(59,150)</u>	<u>(63,126)</u>
Taxation		
Corporation tax paid	-	(12,615)
	<u>-</u>	<u>(12,615)</u>
Capital expenditure		
Payments to acquire tangible assets	(31,936)	(404,438)
Receipts from sales of tangible assets	48,000	66,425
	<u>16,064</u>	<u>(338,013)</u>
Financing		
Repayment of long term bank loan	(15,000)	(15,000)
Repayment of hire purchase contracts and finance leases	(274,397)	(154,508)
New hire purchase contracts and finance leases	-	208,454
	<u>(289,397)</u>	<u>38,946</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	1,208	311	1,519
Overdrafts	(319,701)	243,424	(76,277)
	<u>(318,493)</u>	<u>243,735</u>	<u>(74,758)</u>
Debt due within one year	(15,000)	-	(15,000)
Debt due after one year	(92,500)	15,000	(77,500)
Finance leases	(589,454)	274,397	(315,057)
	<u>(696,954)</u>	<u>289,397</u>	<u>(407,557)</u>
Net debt	<u>(1,015,447)</u>	<u>533,132</u>	<u>(482,315)</u>