

Registration number SC064413

Lightways (Contractors) Ltd

Abbreviated accounts

for the year ended 31 December 2011

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Lightways (Contractors) Ltd

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Lightways (Contractors) Ltd
Directors' report
for the year ended 31 December 2011

The directors present their report and the accounts for the year ended 31 December 2011.

Principal activity and review of the business

The principal activity of the company during the year was to trade in road and footpath surfacing and all aspects of street lighting.

The activities of the company during the year were carried out within Scotland, and were that of reinstating roads and footpaths for local authorities and utility companies, installing new street lighting for local authorities and maintaining existing local authority street lighting infrastructures.

At the year end the company had shareholders' funds of £838,149, with distributable reserves of £633,932. The reported loss of £173,720 arises mainly due to substantial legal fees incurred in a commercial dispute that was abandoned due to uncertainty of success and in order to curtail further costs.

The directors have assessed the main risks facing the company as the renewal of high value contracts at the end of their term. The directors mitigate this risk by ensuring there are sufficient plans in place to retender for the existing contract, or to tender for new replacement contracts. The company is tendering for a range of work at present and there are some existing contracts under negotiation for renewal.

Results and dividends

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

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The company does not make use of financial instruments other than an operational bank account and a bank loan and therefore exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Post balance sheet events

The company incurred significant costs in respect of a commercial dispute, which it decided to abandon after the year end due to uncertainty of success and costs. As a result of abandoning this dispute a claim has been made against the company for costs. This claim, which is in the region of £140,000, is under review by the company's solicitors and the final settlement has not been agreed. Any additional legal costs in respect of this dispute will be accounted for in the accounts for the year ended 31st December 2012.

Directors

The directors who served during the year are as stated below:

James Hornall	Robina Ferguson Wright
Steven James Beaton	
John Gardner McLauchlan	
Denise Hornall	
James Wright	

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Lightways (Contractors) Ltd

**Directors' report
for the year ended 31 December 2011**

..... continued

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

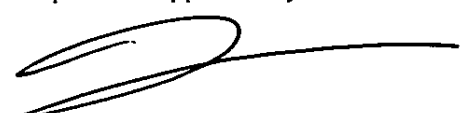
In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Barrie Scott Ltd are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 24th Sept, 2012 and signed on its behalf by



John Gardner McLauchlan
Secretary

**Independent auditors' report to Lightways (Contractors) Ltd
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of Lightways (Contractors) Ltd for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

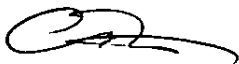
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.



.....
Clive Barrie Scott (senior statutory auditor)
For and on behalf of Barrie Scott Ltd
Chartered Accountants and
Statutory Auditors

25 September 12

16 - 18 Weir Street
Falkirk
FK1 1RA

Lightways (Contractors) Ltd

**Abbreviated profit and loss account
for the year ended 31 December 2011**

		Continuing operations	
		2011	2010
	Notes	£	£
Turnover		10,967,517	10,553,481
Gross profit		<u>2,201,241</u>	<u>2,221,722</u>
Administrative expenses		(2,377,192)	(2,001,707)
Operating (loss)/profit	2	<u>(175,951)</u>	220,015
Interest payable and similar charges	4	<u>(24,901)</u>	(25,287)
(Loss)/profit on ordinary activities before taxation		(200,852)	194,728
Tax on (loss)/profit on ordinary activities	7	<u>27,132</u>	(51,466)
(Loss)/profit for the year	15	<u>(173,720)</u>	143,262
Retained profit brought forward		805,056	659,198
Reserve Movements		<u>2,596</u>	<u>2,596</u>
Retained profit carried forward		<u><u>633,932</u></u>	<u><u>805,056</u></u>

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 16 form an integral part of these financial statements.

Lightways (Contractors) Ltd

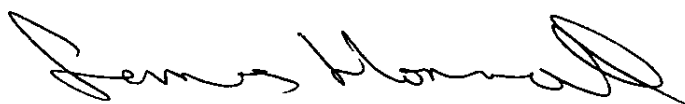
**Abbreviated balance sheet
as at 31 December 2011**

		2011		2010	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		972,107		1,192,606
Current assets					
Stocks	9	622,981		443,627	
Debtors	10	1,434,102		1,615,895	
Cash at bank and in hand		1,594		1,879	
		<u>2,058,677</u>		<u>2,061,401</u>	
Creditors: amounts falling due within one year	11	<u>(2,031,589)</u>		<u>(1,979,011)</u>	
Net current assets			<u>27,088</u>		<u>82,390</u>
Total assets less current liabilities			999,195		1,274,996
Creditors: amounts falling due after more than one year	12		(161,046)		(260,515)
Provisions for liabilities	13		<u>-</u>		<u>(2,612)</u>
Net assets			<u>838,149</u>		<u>1,011,869</u>
Capital and reserves					
Called up share capital	14		78,500		78,500
Revaluation reserve	15		114,217		116,813
Other reserves	15		11,500		11,500
Profit and loss account	15		633,932		805,056
Shareholders' funds	16		<u>838,149</u>		<u>1,011,869</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 24/9/2012 and signed on its behalf by

James Hornall
Director



Registration number SC064413

The notes on pages 7 to 16 form an integral part of these financial statements.

Lightways (Contractors) Ltd

**Cash flow statement
for the year ended 31 December 2011**

	Notes	2011 £	2010 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(175,951)	220,015
Depreciation		298,497	205,061
(Increase)/decrease in stocks		(179,354)	1,572
Decrease/(increase) in debtors		206,313	(152,127)
Increase in creditors		571,978	29,097
Net cash inflow from operating activities		<u>721,483</u>	<u>303,618</u>
Cash flow statement			
Net cash inflow from operating activities		721,483	303,618
Returns on investments and servicing of finance	19	(24,901)	(25,287)
Taxation	19	(30,762)	(74,865)
Capital expenditure	19	(128,944)	(471,108)
		536,876	(267,642)
Financing	19	(99,469)	(81,925)
Increase in cash in the year		<u>437,407</u>	<u>(349,567)</u>
Reconciliation of net cash flow to movement in net funds (Note 20)			
Increase in cash in the year		437,407	(349,567)
Cash inflow from increase in debts and lease financing		99,469	81,925
Change in net funds resulting from cash flows		536,876	(267,642)
New finance leases and hire purchase contracts		50,945	(323,335)
Movement in net funds in the year		587,821	(590,977)
Net debt at 1 January 2011		(863,819)	(272,842)
Net debt at 31 December 2011		<u>(275,998)</u>	<u>(863,819)</u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2011

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the value of work done, excluding VAT, during the period, including applications for amounts not invoiced. Turnover includes retentions withheld by customers.

Turnover is recognised as and when the work is performed.

1.3. Tangible fixed assets and depreciation

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

Land and buildings	-	2% Straight line
Tenants improvements	-	Straight line over the life of the lease
Plant and machinery	-	10% & 20% Straight line
Fixtures, fittings and equipment	-	20% and 33% Straight line
Motor vehicles	-	20% and 33% Straight line

Assets that have been revalued are subject to subsequent revaluations in the third and fifth year following the previous revaluation, or when there are indications of a significant change in the value of the revalued assets. The valuations are performed by a qualified external valuer on the basis of market value.

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer is made from the revaluation reserve to the profit and loss reserve.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2011

..... continued

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.

1.6. Pensions

The company operates a defined contribution pension scheme and the pension costs charged in the financial statements represent the contribution payable by the company during the year assets of the scheme are held separately from those of the company in an independently administered fund.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.7. Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

..... continued

2. Operating (loss)/profit	2011	2010
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation		
- written off owned tangible fixed assets	222,218	150,083
- written off tangible fixed assets on HP/Finance lease	86,279	68,759
Operating lease rentals		
- Land and buildings	96,096	36,726
Auditors' remuneration (Note 3)	15,735	14,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	10,000	13,781
	<u> </u>	<u> </u>
 3. Auditors' remuneration	 2011	 2010
	£	£
Auditors' remuneration - audit of the financial statements	15,735	14,000
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2011	 2010
	£	£
Interest payable on bank borrowings	7,572	4,892
Hire purchase interest	17,321	20,395
On overdue tax	8	-
	<u> </u>	<u> </u>
	24,901	25,287
	<u> </u>	<u> </u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

..... continued

5. Employees

Number of employees	2011	2010
The average monthly numbers of employees (including the directors) during the year were:		
Number of production staff	130	115
Number of administrative staff	30	31
	<u>160</u>	<u>146</u>

Employment costs	2011	2010
	£	£
Wages and salaries	4,239,637	3,722,188
Social security costs	387,514	345,163
Pension costs-other operating charge	46,413	42,806
	<u>4,673,564</u>	<u>4,110,157</u>

5.1. Directors' remuneration	2011	2010
	£	£
Remuneration and other emoluments	243,237	258,613
Life insurance contributions	4,794	6,338
Pension contributions	6,049	6,049
	<u>254,080</u>	<u>271,000</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>

Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	77,739	94,309
Pension contributions	1,150	1,150
	<u>78,889</u>	<u>95,459</u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2011

..... continued

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £46,413 (2010 - £42,806).

7. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2011 £	2010 £
Current tax		
UK corporation tax	(24,520)	30,762
Total current tax charge	<u>(24,520)</u>	<u>30,762</u>
Deferred tax		
Timing differences, origination and reversal	(2,612)	20,704
Total deferred tax	<u>(2,612)</u>	<u>20,704</u>
Tax on (loss)/profit on ordinary activities	<u>(27,132)</u>	<u>51,466</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21.00 per cent). The differences are explained below:

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	<u>(200,852)</u>	<u>194,728</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.00% (31 December 2010 : 21.00%)	(42,179)	40,893
Effects of:		
Expenses not deductible for tax purposes	3,941	8,922
Capital allowances for period in excess of depreciation	<u>13,718</u>	<u>(19,053)</u>
Current tax charge for period	<u>(24,520)</u>	<u>30,762</u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2011

..... continued

8. Tangible fixed assets	Land and buildings freehold £	Tenants improve- ments £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation						
At 1 January 2011	392,957	118,039	40,099	129,103	2,474,234	3,154,432
Additions	-	19,326	10,595	7,398	50,680	87,999
Disposals	-	-	-	-	(97,174)	(97,174)
At 31 December 2011	<u>392,957</u>	<u>137,365</u>	<u>50,694</u>	<u>136,501</u>	<u>2,427,740</u>	<u>3,145,257</u>
Depreciation						
At 1 January 2011	118,582	44,732	34,148	89,079	1,675,286	1,961,827
On disposals	-	-	-	-	(97,174)	(97,174)
Charge for the year	7,860	13,895	4,718	9,681	272,343	308,497
At 31 December 2011	<u>126,442</u>	<u>58,627</u>	<u>38,866</u>	<u>98,760</u>	<u>1,850,455</u>	<u>2,173,150</u>
Net book values						
At 31 December 2011	<u>266,515</u>	<u>78,738</u>	<u>11,828</u>	<u>37,741</u>	<u>577,285</u>	<u>972,107</u>
At 31 December 2010	<u>274,375</u>	<u>73,307</u>	<u>5,951</u>	<u>40,024</u>	<u>798,948</u>	<u>1,192,605</u>

The heritable property, included above at a net book value of £266,515, was valued in August 2012 at £275,000 by Graham & Sibbald, Chartered Surveyors on the basis of existing use on the open market. The property was previously revalued in April 2006 by Messrs D M Hall, Chartered Surveyors.

The directors have not updated the valuation at the year end as they consider that the difference in the valuation of £275,000 and the net book value of £266,515 is not material. The historical cost of this property is £263,164.

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

Asset description	2011		2010	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor vehicles	<u>328,148</u>	<u>86,279</u>	<u>488,700</u>	<u>68,759</u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

..... continued

9. Stocks	2011	2010
	£	£
Raw materials and consumables	450,818	438,320
Work in progress	172,163	5,307
	<u>622,981</u>	<u>443,627</u>
10. Debtors	2011	2010
	£	£
Trade debtors	984,077	1,216,036
Retentions	330,533	305,903
Other debtors	24,520	-
Prepayments and accrued income	94,972	93,956
	<u>1,434,102</u>	<u>1,615,895</u>
11. Creditors: amounts falling due within one year	2011	2010
	£	£
Bank overdraft	17,076	454,769
Net obligations under finance leases and hire purchase contracts	99,469	150,414
Trade creditors	1,228,045	881,344
Corporation tax	-	30,762
Other taxes and social security costs	437,282	261,245
Directors' accounts	-	4,100
Other creditors	42,555	-
Accruals and deferred income	207,162	196,377
	<u>2,031,589</u>	<u>1,979,011</u>

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

Balances due on hire purchase agreements are secured over the assets to which they relate.

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

..... continued

12. Creditors: amounts falling due after more than one year	2011 £	2010 £
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Net obligations under finance leases and hire purchase contracts	161,046	260,515
	<u> </u>	<u> </u>

The above hire purchase liabilities are secured upon the assets to which they relate.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	(99,469)	(150,414)
Repayable between one and five years	(161,046)	(260,515)
	<u>(260,515)</u>	<u>(410,929)</u>

13. Provision for deferred taxation	2011 £	2010 £
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Accelerated capital allowances	-	2,612
Provision for deferred tax	-	2,612
	<u> </u>	<u> </u>

Provision at 1 January 2011	2,612	
Deferred tax credit in profit and loss account	(2,612)	
	<u> </u>	
Provision at 31 December 2011	-	
	<u> </u>	

14. Share capital	2011 £	2010 £
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Authorised

45,000 Ordinary shares of £2 each	90,000	90,000
	<u> </u>	<u> </u>

Allotted, called up and fully paid

39,250 Ordinary shares of £2 each	78,500	78,500
	<u> </u>	<u> </u>

Equity Shares

39,250 Ordinary shares of £2 each	78,500	78,500
	<u> </u>	<u> </u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2011

..... continued

15. Equity Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
At 1 January 2011	116,813	805,056	11,500	933,369
Transfer of realised profit	(2,596)	2,596	-	-
Loss for the year	-	(173,720)	-	(173,720)
At 31 December 2011	<u>114,217</u>	<u>633,932</u>	<u>11,500</u>	<u>759,649</u>

16. Reconciliation of movements in shareholders' funds	2011 £	2010 £
(Loss)/profit for the year	(173,720)	143,262
Opening shareholders' funds	<u>1,011,869</u>	<u>868,607</u>
Closing shareholders' funds	<u>838,149</u>	<u>1,011,869</u>

17. Financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Within one year	19,572	19,572	-	-
Between one and five years	<u>61,408</u>	<u>61,408</u>	<u>2,625</u>	<u>2,625</u>
	<u>80,980</u>	<u>80,980</u>	<u>2,625</u>	<u>2,625</u>

18. Post balance sheet events

The company incurred significant costs in respect of a commercial dispute, which it decided to abandon after the year end due to uncertainty of success and costs. As a result of abandoning this dispute a claim has been made against the company for costs. This claim, which is in the region of £140,000, is under review by the company's solicitors and the final settlement has not been agreed. Any additional legal costs in respect of this dispute will be accounted for in the accounts for the year ended 31st December 2012.

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2011**

..... continued

19. Gross cash flows

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest paid	<u>(24,901)</u>	<u>(25,287)</u>
Taxation		
Corporation tax paid	<u>(30,762)</u>	<u>(74,865)</u>
Capital expenditure		
Payments to acquire tangible assets	(138,944)	(487,608)
Receipts from sales of tangible assets	<u>10,000</u>	<u>16,500</u>
	<u>(128,944)</u>	<u>(471,108)</u>
Capital element of finance leases and hire purchase contracts	<u>(99,469)</u>	<u>(81,925)</u>

20. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,879	(285)		1,594
Overdrafts	<u>(454,769)</u>	<u>437,693</u>		<u>(17,076)</u>
	<u>(452,890)</u>	<u>437,408</u>		<u>(15,482)</u>
Finance leases and hire purchase contracts	<u>(410,929)</u>	<u>99,469</u>	<u>50,945</u>	<u>(260,515)</u>
Net funds	<u>(863,819)</u>	<u>536,877</u>	<u>50,945</u>	<u>(275,997)</u>