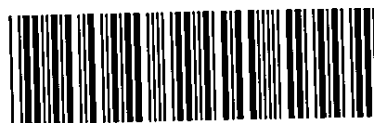


Registration number SC064413

Lightways (Contractors) Ltd
Abbreviated accounts
for the year ended 31 December 2012

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Lightways (Contractors) Ltd

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Lightways (Contractors) Ltd
Directors' report
for the year ended 31 December 2012

The directors present their report and the accounts for the year ended 31 December 2012.

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 £917,290, with distributable reserves of £699,324.

The directors have assessed the main risks facing the company as the renewal of high value multiyear maintenance 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.

Directors

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

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

Robina Ferguson Wright Resigned 2/11/12

Statement of directors' responsibilities

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

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;

Lightways (Contractors) Ltd

**Directors' report
for the year ended 31 December 2012**

..... continued

- 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:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- 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

16th August 2013 and signed on its behalf by



Ian Young
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 17 together with the financial statements of Lightways (Contractors) Ltd for the year ended 31 December 2012 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

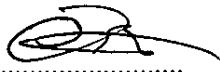
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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

16 - 18 Weir Street
Falkirk
FK1 1RA

16th August 2013

Lightways (Contractors) Ltd

**Abbreviated profit and loss account
for the year ended 31 December 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover		11,799,000	10,967,517
Gross profit		2,383,697	2,160,020
Administrative expenses		(2,277,477)	(2,335,971)
Operating profit/(loss)	2	106,220	(175,951)
Other interest receivable and similar income	4	128	-
Interest payable and similar charges	5	(19,864)	(24,901)
Profit/(loss) on ordinary activities before taxation		86,484	(200,852)
Tax on profit/(loss) on ordinary activities	8	(23,688)	27,132
Profit/(loss) for the year	17	62,796	(173,720)
Retained profit brought forward		633,932	805,056
Reserve Movements		2,596	2,596
Retained profit carried forward		699,324	633,932
Statement of total recognised gains and losses			
Profit/(loss) on ordinary activities after taxation		62,796	(173,720)
Unrealised movement on revaluation of property		16,345	-
Total recognised gains/losses since last annual report		79,141	(173,720)

The notes on pages 7 to 17 form an integral part of these financial statements.

Lightways (Contractors) Ltd

**Abbreviated balance sheet
as at 31 December 2012**

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		917,904		972,107
Current assets					
Stocks	10	516,242		622,981	
Debtors	11	1,773,835		1,434,102	
Cash at bank and in hand		149,844		1,594	
		2,439,921		2,058,677	
Creditors: amounts falling due within one year	12	(2,285,969)		(2,031,589)	
Net current assets			153,952		27,088
Total assets less current liabilities			1,071,856		999,195
Creditors: amounts falling due after more than one year	13		(143,344)		(161,046)
Provisions for liabilities	15		(11,222)		-
Net assets			917,290		838,149
Capital and reserves					
Called up share capital	16		78,500		78,500
Revaluation reserve	17		127,966		114,217
Other reserves	17		11,500		11,500
Profit and loss account	17		699,324		633,932
Shareholders' funds	18		917,290		838,149

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 16th August 2013 and signed on its behalf by

James Hornall
Director

Registration number SC064413

The notes on pages 7 to 17 form an integral part of these financial statements.

Lightways (Contractors) Ltd

**Cash flow statement
for the year ended 31 December 2012**

	Notes	2012 £	2011 £
Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)		106,220	(175,951)
Depreciation		63,799	298,497
Decrease/(increase) in stocks		106,739	(179,354)
(Increase)/decrease in debtors		(364,253)	206,313
Increase in creditors		21,907	571,978
Net cash (outflow)/inflow from operating activities		<u>(65,588)</u>	<u>721,483</u>
Cash flow statement			
Net cash (outflow)/inflow from operating activities		(65,588)	721,483
Returns on investments and servicing of finance	20	(19,736)	(24,901)
Taxation	20	-	(30,762)
Capital expenditure	20	117,688	(128,944)
		<u>32,364</u>	<u>536,876</u>
Financing	20	(85,407)	(99,469)
(Decrease)/increase in cash in the year		<u>(53,043)</u>	<u>437,407</u>
Reconciliation of net cash flow to movement in net debt (Note 21)			
(Decrease)/increase in cash in the year		(53,043)	437,407
Cash inflow from increase in debts and lease financing		85,407	99,469
		<u>32,364</u>	<u>536,876</u>
Change in net funds resulting from cash flows		(110,938)	50,945
New finance leases and hire purchase contracts		(78,574)	587,821
Movement in net debt in the year		<u>(275,998)</u>	<u>(863,819)</u>
Net debt at 1 January 2012		<u>(354,572)</u>	<u>(275,998)</u>
Net debt at 31 December 2012		<u>(354,572)</u>	<u>(275,998)</u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2012

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
Leasehold properties	-	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 2012

..... continued

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated as above. 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:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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 2012**

..... continued

2. Operating profit/(loss)	2012	2011
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation		
- written off owned tangible fixed assets	113,453	222,218
- written off tangible fixed assets on HP/Finance lease	86,279	86,279
Operating lease rentals		
- Land and buildings	47,541	54,876
Auditors' remuneration (Note 3)	14,175	15,735
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	135,933	10,000
	<u> </u>	<u> </u>
 3. Auditors' remuneration	 2012	 2011
	£	£
Auditors' remuneration - audit of the financial statements	14,175	15,735
	<u> </u>	<u> </u>
 4. Interest receivable and similar income	 2012	 2011
	£	£
Bank interest	1	-
Other interest	127	-
	<u> </u>	<u> </u>
	128	-
	<u> </u>	<u> </u>
 5. Interest payable and similar charges	 2012	 2011
	£	£
Interest payable on bank borrowings	10,307	7,572
Hire purchase interest	9,557	17,321
On overdue tax	-	8
	<u> </u>	<u> </u>
	19,864	24,901
	<u> </u>	<u> </u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

6. Employees

Number of employees	2012	2011
The average monthly numbers of employees (including the directors) during the year were:		
Number of production staff	129	130
Number of administrative staff	31	30
	<u>160</u>	<u>160</u>

Employment costs	2012	2011
	£	£
Wages and salaries	4,019,525	4,239,637
Social security costs	381,323	387,514
Pension costs-other operating charge	46,413	46,413
	<u>4,447,261</u>	<u>4,673,564</u>

6.1. Directors' remuneration	2012	2011
	£	£
Remuneration and other emoluments	198,524	243,237
Life insurance contributions	4,696	4,794
Pension contributions	6,049	6,049
	<u>209,269</u>	<u>254,080</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	72,095	77,739
Pension contributions	1,150	1,150
	<u>73,245</u>	<u>78,889</u>

Lightways (Contractors) Ltd

Notes to the abbreviated financial statements for the year ended 31 December 2012

..... continued

7. 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 (2011 - £46,413).

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

Analysis of charge in period	2012 £	2011 £
Current tax		
UK corporation tax	12,466	(24,520)
Total current tax charge	<u>12,466</u>	<u>(24,520)</u>
Deferred tax		
Timing differences, origination and reversal	11,222	(2,612)
Total deferred tax	<u>11,222</u>	<u>(2,612)</u>
Tax on profit/(loss) on ordinary activities	<u>23,688</u>	<u>(27,132)</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 (20.00 per cent). The differences are explained below:

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	<u>86,484</u>	<u>(200,852)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (31 December 2011 : 21.00%)	17,297	(42,179)
Effects of:		
Expenses not deductible for tax purposes	1,142	3,941
Capital allowances for period in excess of depreciation	(5,973)	13,718
Current tax charge for period	<u>12,466</u>	<u>(24,520)</u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2012	392,957	137,365	50,694	136,501	2,427,741	3,145,258
Additions	-	-	2,500	-	156,000	158,500
Revaluation	16,345	-	-	-	-	16,345
Disposals	-	-	-	-	(642,336)	(642,336)
At 31 December 2012	<u>409,302</u>	<u>137,365</u>	<u>53,194</u>	<u>136,501</u>	<u>1,941,405</u>	<u>2,677,767</u>
Depreciation						
At 1 January 2012	126,442	58,627	38,866	98,760	1,850,455	2,173,150
On disposals	-	-	-	-	(613,019)	(613,019)
Charge for the year	7,860	18,526	3,646	7,199	162,501	199,732
At 31 December 2012	<u>134,302</u>	<u>77,153</u>	<u>42,512</u>	<u>105,959</u>	<u>1,399,937</u>	<u>1,759,863</u>
Net book values						
At 31 December 2012	<u>275,000</u>	<u>60,212</u>	<u>10,682</u>	<u>30,542</u>	<u>541,468</u>	<u>917,904</u>
At 31 December 2011	<u>266,515</u>	<u>78,738</u>	<u>11,828</u>	<u>37,741</u>	<u>577,286</u>	<u>972,108</u>

The historical cost of heritable property included above at a 2012 valuation of £275,000 is £263,164.

The properties were revalued in August 2012 by Graham & Sibbald, Chartered Surveyors, on the basis of vacant possession in the open market.

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

Asset description	2012		2011	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>388,450</u>	<u>189,540</u>	<u>328,148</u>	<u>86,279</u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

10. Stocks	2012	2011
	£	£
Raw materials and consumables	342,565	450,818
Work in progress	173,677	172,163
	<u>516,242</u>	<u>622,981</u>
11. Debtors	2012	2011
	£	£
Trade debtors	1,195,747	984,077
Retentions	336,058	330,533
Other debtors	-	24,520
Prepayments and accrued income	242,030	94,972
	<u>1,773,835</u>	<u>1,434,102</u>
12. Creditors: amounts falling due within one year	2012	2011
	£	£
Bank overdraft	193,849	17,076
Net obligations under finance leases and hire purchase contracts	142,702	99,469
Trade creditors	1,097,411	1,228,045
Corporation tax	12,466	-
Other taxes and social security costs	478,366	437,282
Other creditors	-	42,555
Accruals and deferred income	361,174	207,162
	<u>2,285,968</u>	<u>2,031,589</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 finance lease and 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 2012**

..... continued

13. Creditors: amounts falling due after more than one year	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	<u>143,344</u>	<u>161,046</u>

The above finance lease and 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	(85,407)	(99,469)
Repayable between one and five years	<u>(143,345)</u>	<u>(161,046)</u>
	<u>(228,752)</u>	<u>(260,515)</u>

14. Provisions for liabilities

	Deferred taxation (Note 15) £	Total £
Movements in the year	<u>11,222</u>	<u>11,222</u>
At 31 December 2012	<u>11,222</u>	<u>11,222</u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

15.	Provision for deferred taxation	2012 £	2011 £		
	Accelerated capital allowances	11,222	-		
	Provision for deferred tax	11,222	-		
	Deferred tax charge in profit and loss account	11,222			
	Provision at 31 December 2012	11,222			
16.	Share capital	2012 £	2011 £		
	Authorised				
	45,000 Ordinary shares of £2 each	90,000	90,000		
	Allotted, called up and fully paid				
	39,250 Ordinary shares of £2 each	78,500	78,500		
	Equity Shares				
	39,250 Ordinary shares of £2 each	78,500	78,500		
17.	Equity Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
	At 1 January 2012	114,217	633,933	11,500	759,650
	Transfer of realised profit	(2,596)	2,596	-	-
	Revaluation of property	16,345	-	-	16,345
	Profit for the year	-	62,796	-	62,796
	At 31 December 2012	127,966	699,325	11,500	838,791

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

18. Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit/(loss) for the year	62,796	(173,720)
Other recognised gains or losses	16,345	-
Net addition to shareholders' funds	79,141	(173,720)
Opening shareholders' funds	838,149	1,011,869
Closing shareholders' funds	<u>917,290</u>	<u>838,149</u>

19. Financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within one year	-	19,572	-	-
Between one and five years	61,408	61,408	2,625	2,625
	<u>61,408</u>	<u>80,980</u>	<u>2,625</u>	<u>2,625</u>

Lightways (Contractors) Ltd

**Notes to the abbreviated financial statements
for the year ended 31 December 2012**

..... continued

20. Gross cash flows

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	128	-
Interest paid	(19,864)	(24,901)
	<u>(19,736)</u>	<u>(24,901)</u>
Taxation		
Corporation tax paid	-	(30,762)
	<u>-</u>	<u>(30,762)</u>
Capital expenditure		
Payments to acquire tangible assets	(47,562)	(138,944)
Receipts from sales of tangible assets	165,250	10,000
	<u>117,688</u>	<u>(128,944)</u>
Capital element of finance leases and hire purchase contracts	<u>(85,407)</u>	<u>(99,469)</u>

21. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,594	148,250	-	149,844
Overdrafts	(17,076)	(176,773)	-	(193,849)
	<u>(15,482)</u>	<u>(28,523)</u>	<u>-</u>	<u>(44,005)</u>
Finance leases and hire purchase contracts	(260,515)	85,407	(110,938)	(286,046)
Net funds	<u>(275,997)</u>	<u>56,884</u>	<u>(110,938)</u>	<u>(330,051)</u>