

UK Highways Services Limited

Abbreviated accounts

For the year ended 31 December 2004



Company No. 3224413

Company information

Registered office

Chatham Court
Lesbourne Road
Reigate
Surrey
RH2 7LD

Directors

S Weatherson
P R Ibarboure (French)
V H Terrasson (French)
J McDonagh

Secretary

T J G Ball

Bankers

HSBC Plc
PO Box 648
27 - 32 Poultry
London
EC2P 2BX

Auditors

Ernst & Young LLP
Chartered Accountants
Registered Auditors
Apex Plaza
Forbury Road
Reading
RG1 1YE

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INDEPENDENT AUDITORS' REPORT TO UK HIGHWAYS SERVICES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2004 which comprise the Balance Sheet and the related notes 1 to 2, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' 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 directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

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. 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.


Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Date

26 April 2005

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared in accordance with the financial reporting standard for smaller entities under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods and services provided, excluding VAT and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	Between 2 and 10 years straight line
Motor Vehicles	-	2 years straight line
Equipment	-	3 years straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Annual contributions payable to employees personal pension plans are charged to the profit and loss account.

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 exception:

- 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.

Liquid resources

The company includes short term bank deposits as liquid resources.

Abbreviated balance sheet

	Note	2004 £	2003 £
Fixed assets	1		
Tangible assets		<u>208,292</u>	<u>281,696</u>
Current assets			
Debtors		1,042,571	1,006,896
Cash at bank and in hand		<u>1,361,380</u>	<u>1,205,134</u>
		2,403,951	2,212,030
Creditors: amounts falling due within one year		<u>2,374,455</u>	<u>2,136,454</u>
Net current assets		<u>29,496</u>	<u>75,576</u>
Total assets less current liabilities		<u>237,788</u>	<u>357,272</u>
Creditors: amounts falling due after more than one year		144,986	256,012
Provisions for liabilities and charges		<u>36,000</u>	<u>42,000</u>
		<u>56,802</u>	<u>59,260</u>
Capital and reserves			
Called-up equity share capital	2	50,000	50,000
Profit and loss account		<u>6,802</u>	<u>9,260</u>
Shareholders' funds		<u>56,802</u>	<u>59,260</u>

These abbreviated accounts have been prepared in accordance with the special provisions relating to small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 19.4.05 and are signed on their behalf by:

.....
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £
Cost	
At 1 January 2004	852,897
Additions	32,250
Disposals	(101,148)
At 31 December 2004	<u>783,999</u>
Depreciation	
At 1 January 2004	571,201
Charge for year	83,643
Disposals	(79,137)
At 31 December 2004	<u>575,707</u>
Net book value	
At 31 December 2004	<u>208,292</u>
At 31 December 2003	<u>281,696</u>

2 Share capital

Authorised share capital:

	2004 £	2003 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>