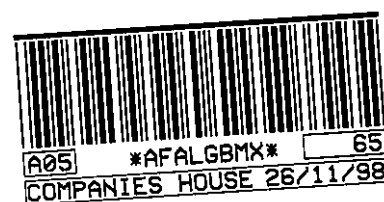


Hi-Lite Signs Limited

Company Number: 886857

**Abbreviated Financial Statements
For the year ended 31 January 1998**



Hi-Lite Signs Limited

Abbreviated Financial Statements For the year ended 31 January 1998

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Auditors' Report to Hi-Lite Signs Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of the company for the year ended 31 January 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

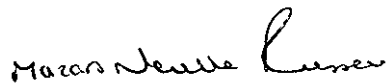
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) 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 (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Mazars Neville Russell

Chartered Accountants
and Registered Auditors

Aquis House
Clasketgate
Lincoln
LN2 1JN

Dated: 24 November 1998

Hi-Lite Signs Limited

Abbreviated Balance Sheet at 31 January 1998

| | Notes | 1998 £ | 1997 £ |
|---|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 3 | 326,712 | 329,148 |
| Investments | 4 | 16,910 | 16,910 |
| | | <u>343,622</u> | <u>346,058</u> |
| Current assets | | | |
| Stocks | | 171,510 | 165,452 |
| Debtors | | 158,073 | 198,122 |
| Bank and cash balances | | 304 | 487 |
| | | <u>329,887</u> | <u>364,061</u> |
| Creditors - amounts falling due within one year | 5 | <u>(414,839)</u> | <u>(460,660)</u> |
| Net current liabilities | | <u>(84,952)</u> | <u>(96,599)</u> |
| Total assets less current liabilities | | 258,670 | 249,459 |
| Creditors - amounts falling due after more than one year | 6 | <u>(122,813)</u> | <u>(215,089)</u> |
| | | <u>135,857</u> | <u>34,370</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 115,460 | 115,460 |
| Revaluation reserve | | 50,738 | 51,946 |
| Profit and loss account | | <u>(30,341)</u> | <u>(133,036)</u> |
| Shareholders' funds | | <u>135,857</u> | <u>34,370</u> |

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

Approved by the board on 23 November 1998
and signed on its behalf by

X  X
D G Bradshaw, Director

Hi-Lite Signs Limited

Notes to the Abbreviated Financial Statements For the year ended 31 January 1998

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

The company is exempt from the requirement to publish a cash flow statement under the Financial Reporting Standard No. 1.

a. Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings.

b. Depreciation

Depreciation is calculated to write off the cost or revalued amount on a straight line basis over their estimated useful lives. No depreciation is charged on freehold land.

c. Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

d. Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

e. Research and development expenditure

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred except development expenditure on individual projects. Where the recoverability of this development expenditure can be foreseen with reasonable assurance, it is carried forward and amortised in line with sales from the relevant projects.

f. Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

g. Leases

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

h. Pension costs

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Hi-Lite Signs Limited

Notes to the Abbreviated Financial Statements For the year ended 31 January 1998

2. Basis of preparation of the financial statements

These financial statements present information about the company as an individual undertaking and not about the group. The company is exempt from the requirement to produce group accounts as it is the parent company of a small group.

3. Tangible fixed assets

| | Tangible fixed assets £ |
|---------------------------------|--|
| Cost or valuation | |
| At 1 February 1997 | 465,589 |
| Additions | 17,550 |
| Disposals | (8,936) |
| | <hr/> |
| At 31 January 1998 | 474,203 |
| | <hr/> |
| Accumulated depreciation | |
| At 1 February 1997 | 136,441 |
| Charge for the year | 19,932 |
| Eliminated on disposals | (8,882) |
| | <hr/> |
| At 31 January 1998 | 147,491 |
| | <hr/> |
| Net book values | |
| At 31 January 1998 | 326,712 |
| | <hr/> <hr/> |
| At 31 January 1997 | 329,148 |
| | <hr/> <hr/> |

Hi-Lite Signs Limited

Notes to the Abbreviated Financial Statements For the year ended 31 January 1998

4. Fixed asset investments

| | Total £ |
|-------------------------|---------------|
| Cost and net book value | |
| At 1 February 1997 | 16,910 |
| Additions | - |
| | <hr/> |
| At 31 January 1998 | <u>16,910</u> |

Unlisted investments comprise a 100% interest in the ordinary shares of Hi-Lite Engraving Limited (a subsidiary undertaking) held by the company. Hi-Lite Engraving Limited is incorporated in England.

At 31 January 1998 the aggregate amount of capital and reserves were £93,081 (1997 £94,509) and the loss for the year was £48 (1997 £1,051).

The company is exempt from the requirement to produce group accounts as it is the parent company of a small group.

5. Secured creditors - amounts falling due within one year

The bank loans and overdrafts amounting to £204,111 (1997 £102,885) are secured on the company properties.

6. Secured creditors - amounts falling due after more than one year

| | 1998 £ | 1997 £ |
|------------|----------------|----------------|
| Bank loans | <u>122,813</u> | <u>215,089</u> |

The bank loans are secured, details of which are given in note 5 above.

7. Share capital

| | Authorised | | Allotted, issued and fully paid | |
|----------------------------|----------------|----------------|---------------------------------|----------------|
| | 1998 £ | 1997 £ | 1998 £ | 1997 £ |
| Ordinary shares of £1 each | 92,270 | 92,270 | 57,730 | 57,730 |
| Deferred shares of £1 each | 57,730 | 57,730 | 57,730 | 57,730 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>150,000</u> | <u>150,000</u> | <u>115,460</u> | <u>115,460</u> |

Hi-Lite Signs Limited

Notes to the Abbreviated Financial Statements For the year ended 31 January 1998

8. Contingent liabilities

Composite guarantee dated 30 November 1990 unlimited in favour of Hi-Lite Signs (Southern) Limited and Hi-Lite Sandey Limited.

An unlimited guarantee dated 2 December 1983 in favour of Hi-Lite Engraving Limited.

An unlimited guarantee dated 25 May 1990 in favour of Hi-Glow Signs Limited.

Hi-Lite Signs (Southern) Limited and Hi-Lite Sandey Limited are presently in receivership. No potential liabilities are expected to arise in respect of the composite guarantee given above.

9. Directors transactions

The company has had transactions on an arms length basis with other companies in which Mr D G Bradshaw has a material interest.