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Company registration No 04721037(England and Wales)

NX INFRASTRUCTURE (WALES) LIMITED

(FORMERLY TIMRAN LIMITED)

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

THURSDAY

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COMPANIES HOUSE

NX INFRASTRUCTURE (WALES) LIMITED

COMPANY INFORMATION

Directors	J E Orth H Herron P Rice (Appointed 1 May 2008) W Campbell (Appointed 1 May 2008) J Nolan (Appointed 1 May 2008) A Miller (Appointed 1 May 2008)
Secretary	A Miller
Company number	04721037
Registered office	The Wern Works Briton Ferry Neath West Glamorgan SA11 2JX West Glamorgan
Auditors	BDO Stoy Hayward LLP Emerald House East Street Epsom Surrey KT17 1HS

NX INFRASTRUCTURE (WALES) LIMITED

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NX INFRASTRUCTURE (WALES) LIMITED

DIRECTORS REPORT

For year ended 30 April 2008

The directors present their report and financial statements for the year ended 30 April 2008

Principal Activities

The principal activity of the company continued to be the supply and manufacture of stainless steel reinforcement bars for use in civil engineering projects

The company changed its name by special resolution on 10 January 2008 to NX Infrastructure (Wales) Limited

Directors

The following directors have held office since 1 May 2007

- J E Orth
- H Herron

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that BDO Stoy Hayward LLP be reappointed as auditors of the company will be put to the Annual General Meeting

NX INFRASTRUCTURE (WALES) LIMITED

DIRECTORS REPORT cont...

For year ended 30 April 2008

Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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) The financial statements are required by law to 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 period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that 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 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

Statement of Disclosure to Auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board

J E Orth

Director

13 October 2008

NX INFRASTRUCTURE (WALES) LIMITED

AUDITORS REPORT

To the Shareholders of NX Infrastructure (Wales) Limited,

We have audited the financial statements of NX Infrastructure (Wales) Limited (formerly Timaran Limited) for the year ended 30 April 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

Respective Responsibilities of the Directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorized to do so by our prior written consent Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

AUDITORS REPORT Continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Emphasis of Matter - Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 1 of the financial statements concerning the company's ability to continue as a going concern, the validity of which is dependent on the parent company's (NX Infrastructure Limited) ability to raise funds If the parent company was unable to raise further funds it will have insufficient cash resources to meet its future needs These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern The financial statements do not include the adjustments that would arise if the company was unable to continue as a going concern

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP

Chartered Accountants

Registered Auditor

Emerald House

East Street

Epsom

Surrey

KT17 1HS

20 October 2008

NX INFRASTRUCTURE (WALES) LIMITED

PROFIT AND LOSS ACCOUNT

For year ended 30 April 2008

	Notes	2008 £	2007 £
Turnover	2	132,673	2,832,212
Cost of sales		(664,718)	(3,126,264)
Gross loss		(532,045)	(294,052)
Administrative expenses		(1,409,696)	(800,433)
Operating loss	3	(1,941,741)	(1,094,485)
Interest payable and similar charges		(5,837)	(93)
Loss on ordinary activities before taxation		(1,947,578)	(1,094,578)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(1,947,578)	(1,094,578)

The notes on pages 10 - 14 form part of these financial statements

NX INFRASTRUCTURE (WALES) LIMITED

BALANCE SHEET

As at 30 April 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	5		946,171		131,695
Current assets					
Stocks		1,771,554		354,551	
Debtors	6	390,411		198,774	
Cash at bank and in hand		15,026		21,515	
		2,176,991		574,840	
Creditors amounts falling due within one year	7	(8,151,221)		(3,787,016)	
Net current assets/(liabilities)			(5,974,230)		(3,212,176)
Total assets less current liabilities			(5,028,059)		(3,080,481)
			(5,028,059)		(3,080,481)
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		(5,028,060)		(3,080,482)
Shareholders' funds			(5,028,059)		(3,080,481)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board and authorized for issue on 13 October 2008

J E Orth

Director

The notes on pages 10 - 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For year ended 30 April 2008

1 0 ACCOUNTING POLICIES

The following principal accounting policies have been applied

1 1 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard For Smaller Entities (effective January 2007)

At 30 April 2008, the company had net liabilities of £5,028,059 and had incurred a loss of £1,947,578 for the year then ended £7,447,476 of the company's creditors comprised of a working capital loan from its parent undertaking, NX Infrastructure Limited

In order for the company to attain profitability, productive capacity will need to be increased This will require substantial further investment The directors have received assurances from the parent, undertaking that it will provide financial support to NX Infrastructure (Wales) Limited Significant funds are expected to be raised by the parent by way of a Private Placement but there is no guarantee in respect of this It is intended that much of this funding will be made available for NX Infrastructure (Wales) Limited to enable it to develop its business activities and achieve profitability in due course and enable NX Infrastructure (Wales) Limited to settle its debts as they fall due If the parent company is unable to raise further funds it will have insufficient cash resources to finance its subsidiary's future needs Whilst the directors of the parent are confident that funds will be forthcoming there is an inherent uncertainty as to the availability of sufficient funds

In the light of this and after taking into account all information that could reasonably be expected to be available, the directors are confident that the group will remain in operational existence for the foreseeable future and that the going concern basis of preparation is appropriate to the company's financial statements

However, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern The financial statements do not include the adjustments that would arise if the company did not receive sufficient funds as and when required

As the company is a wholly owned subsidiary of NX Infrastructure Limited and that company prepares consolidated financial statements, this company has taken advantage of the partial exemptions contained within the Financial Reporting Standard for Smaller Entities and therefore has not disclosed transactions with other group companies

1 2 COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1 3 TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2008

1 4 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	Straight line over 10 years
Fixtures, fittings & equipment	Straight line over 3 and 10 years

1 5 Stock

Stock and work in progress are valued at the lower of cost and net realizable value

1 6 Deferred Taxation

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except for

- The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient suitable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

1 7 Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

2 0 TURNOVER

Turnover is derived from the principal activity and arises in the following geographical locations

	2008	2007
	£	£
UK	80,816	-
EU	8,088	-
USA	43,769	-
Asia	-	2,832,212
	132,673	2,832,212

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2008

3 0 OPERATING LOSS

	2008	2007
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	75,631	34,639
Auditors' remuneration	10,199	15,000

There are no directors remuneration in the year (2007 £nil)

4.0 TAXATION

No charge to corporation tax arises due to the loss for the period The company has tax losses of approximately £4,600,000 (2007, £2,510,000) available for offset against future trading profits subject to agreement by HMRC

No provision for a potential deferred tax asset of £1,288,000 (2007, £703,000) has been provided

5.0 TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures fittings & equipment	Total
	£	£	£
Cost			
At 1 May 2007	162,376	36,693	199,069
Additions	640,272	249,835	890,107
At 30 April 2008	802,648	286,528	1,089,176
Depreciation			
At 1 May 2007	58,586	8,788	67,374
Charge for the period	28,434	47,197	75,631
At 30 April 2008	87,020	55,985	143,005
Net book value			
At 30 April 2008	715,628	230,543	946,171
At 30 April 2007	103,790	27,905	131,695

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2008

6 0 DEBTORS

	2008 £	2007 £
Trade debtors	89,389	23,589
Amounts owed by group undertakings	-	28,000
Other debtors	301,022	147,185
	390,411	198,774

7.0 CREDITORS· Amounts Falling Due Within One Year

	2008 £	2007 £
Trade creditors	542,010	39,038
Amounts owed to group undertakings	7,447,476	3,389,423
Taxation and social security	24,676	10,924
Other creditors	137,059	347,631
	8,151,221	3,787,016

8 0 SHARE CAPITAL

	2008 £	2007 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

9 0 STATEMENT OF MOVEMENT IN RESERVES

	Profit and Loss Account £
Balance as at 1 May 2007	(3,080,482)
Loss for the year	(1,947,578)
Balance at 30 April 2008	(5,028,060)

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2008

10.0 FINANCIAL COMMITMENTS

At 30 April 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2009

	2008 £	2007 £
Operating leases which expire between two and five years	60,000	60,000

11 0 CONTROL

The ultimate parent undertaking and controlling party is NX Infrastructure Limited (formerly Stelax International Limited), a company registered in England

No one party exercises control over NX Infrastructure Limited

RELATED PARTY TRANSACTIONS

Under the FRSSE, the company is exempt from the requirement to disclose related party transactions with the group undertaking on the grounds that they are wholly owned subsidiaries and all the related party transactions are included in the consolidated financial statements of NX Infrastructure Limited These financial statements are available from Companies House, Cardiff

Material balances and transactions with related parties arising during the year were as follows

Balances with related parties	2008 £	2007 £
Debtor balances with related parties		
Included within debtors falling due within one year		
Pellowvale Properties Limited	8,341	5,000
Transactions with related parties		
Rent payable to Pellowvale Properties Limited	60,000	60,000
Consultancy fees payable to Arkbe Limited	-	175,100
Recharged expenses payable to Arkbe Limited	-	137,582

NATURE OF RELATIONSHIPS

Pelowvale Properties Limited is a company in which H Hardy a director of NX Infrastructure Limited is a director and shareholder

Arkbe Limited is a company in which R Baker, a director of NX Infrastructure Limited, is a director and shareholder