

Company registration No 04721037(England and Wales)

NX INFRASTRUCTURE (WALES) LIMITED

FINANCIAL STATEMENTS YEAR ENDED 30 APRIL 2009



NX INFRASTRUCTURE (WALES) LIMITED

COMPANY INFORMATION

Directors

J E Orth
R Baker (Appointed 13 June 2008)
P Rice (Appointed 1 May 2008)
J Nolan (Appointed 1 May 2008)
J Stang (Appointed 20 Jan 2009)

Secretary

J Williams

Company number

04721037

Registered office

The Wern Works
Bnton Ferry
Neath
West Glamorgan
SA11 2JX West Glamorgan

Auditors

BDO 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 2009

The directors present their report and financial statements for the year ended 30 April 2009

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

Directors

The directors during the year were as follows,

- J E Orth
- H Herron (Resigned 13 June 2008)
- P Rice (Appointed 1 May 2008)
- W Campbell (Appointed 1 May 2008)
- W Campbell (Resigned 24 December 2008)
- J Nolan (Appointed 1 May 2008)
- A Miller (Appointed 1 May 2008)
- A Miller (Resigned 30 December 2008)
- R Baker (Appointed 13 June 2008)
- J Stang (Appointed 20 January 2009)

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the next annual general meeting

NX INFRASTRUCTURE (WALES) LIMITED

DIRECTORS REPORT cont...

For year ended 30 April 2009

Directors' Responsibilities

The directors are responsible for preparing the directors' report and 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice 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 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 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.

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.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board


J E Orth
Director

4/20/2010

NX INFRASTRUCTURE (WALES) LIMITED

AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NX INFRASTRUCTURE (WALES) LIMITED

We have audited the financial statements of NX Infrastructure (Wales) Limited for the year ended 30 April 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2007) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the group financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

NX INFRASTRUCTURE (WALES) LIMITED

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 to the financial statements concerning the company's ability to continue as a going concern

At 30 April 2009, the company had net liabilities of £8,068,936 and had incurred a loss of £3,040,877 for the year then ended. The company is dependent on continued financial support from its parent undertaking, NX Infrastructure Limited. The directors have received assurances from the parent undertaking that it will continue to 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.

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 result if the Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

A Stickland (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom
Date 27 April 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

NX INFRASTRUCTURE (WALES) LIMITED

PROFIT AND LOSS ACCOUNT

For year ended 30 April 2009

		2009	2008
	Notes	£	£
Turnover	2	621,312	132,673
Cost of sales		(1,196,976)	(664,718)
Gross loss		(575,664)	(532,045)
Administrative expenses		(2,464,184)	(1,409,696)
Operating loss	3	(3,039,848)	(1,941,741)
Interest payable and similar charges		(1,029)	(5,837)
Loss on ordinary activities before taxation		(3,040,877)	(1,947,578)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(3,040,877)	(1,947,578)

The results detailed above are derived wholly from continuing operations. There were no recognised gains or losses other than the loss for the financial year.

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

NX INFRASTRUCTURE (WALES) LIMITED

BALANCE SHEET

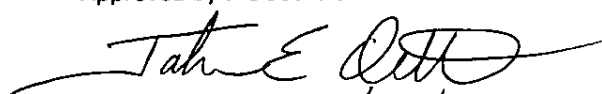
As at 30 April 2009

Company number 04721037

		2009		2008	
		£	£	£	£
Fixed assets	Notes				
Tangible assets	5		1,385,916		946,171
Current assets					
Stocks		1,398,771		1,771,554	
Debtors	6	251,562		390,411	
Cash at bank and in hand		15,601		15,023	
		<u>1,665,934</u>		<u>2,176,991</u>	
Creditors: amounts falling due within one year	7	<u>(11,120,786)</u>		<u>(8,151,221)</u>	
Net current assets/(liabilities)			<u>(9,454,852)</u>		<u>(5,974,230)</u>
Total assets less current liabilities			<u>(8,068,936)</u>		<u>(5,028,059)</u>
			<u>(8,068,936)</u>		<u>(5,028,059)</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>(8,068,937)</u>		<u>(5,028,060)</u>
Shareholders' funds			<u>(8,068,936)</u>		<u>(5,028,059)</u>

These financial statements have been prepared in accordance with the special provisions 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


 J E Orth
 Director
 4/20/2010

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

NX INFRASTRUCTURE (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For year ended 30 April 2009

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 2009, the company had net liabilities of £8,068,936 and had incurred a loss of £3,040,877 for the year then ended £10,715,413 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. Turnover is recognised upon despatch of goods.

NX INFRASTRUCTURE (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2009

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
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Fixtures, fittings & equipment	Straight line over 3 years
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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

	2009	2008
	£	£
UK	97,562	80,816
EU	-	8,088
USA	521,002	43,769
Rest of World	2,748	-
	<u>621,312</u>	<u>132,673</u>

NX INFRASTRUCTURE (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2009

3 0 OPERATING LOSS

	2009 £	2008 £
Operating loss is stated after charging		
Depreciation of tangible assets	179,556	75,631
Auditors' remuneration	15,000	10,199

There are no directors remuneration in the year (2008 £nil)

4 0 TAXATION

No charge to corporation tax arises due to the loss for the period. The company has tax losses of approximately £7,400,000 (2008, £4,60,000) available for offset against future trading profits subject to agreement by HMRC.

No provision for a potential deferred tax asset of £2,109,000 (2008, £1,288,000) has been provided.

5 0 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures fittings & equipment £	Total £
Cost			
At 1 May 2008	802,648	286,528	1,089,176
Additions	525,325	93,976	619,301
At 30 April 2009	1,327,973	380,504	1,708,477
Depreciation			
At 1 May 2008	87,020	55,985	143,005
Charge for the period	78,068	101,488	179,556
At 30 April 2009	165,088	157,473	322,561
Net book value			
At 30 April 2009	1,162,885	223,031	1,385,916
At 30 April 2008	715,628	230,543	946,171

NX INFRASTRUCTURE (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2009

6.0 DEBTORS

	2009 £	2008 £
Trade debtors	139,223	89,389
Amounts owed by group undertakings	-	-
Other debtors	112,339	301,022
	<u>251,562</u>	<u>390,411</u>

7.0 CREDITORS: Amounts Falling Due Within One Year

	2009 £	2008 £
Trade creditors	204,715	542,010
Amounts owed to group undertakings	10,715,413	7,447,476
Taxation and social security	45,579	24,676
Other creditors	155,079	137,059
	<u>11,120,786</u>	<u>8,151,221</u>

8.0 SHARE CAPITAL

	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

9.0 STATEMENT OF MOVEMENT IN RESERVES

	Profit and Loss Account £
Balance as at 1 May 2008	(5,028,060)
Loss for the year	<u>(3,040,877)</u>
Balance at 30 April 2009	<u>(8,068,937)</u>

NX INFRASTRUCTURE (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2009

10.0 FINANCIAL COMMITMENTS

At 30 April 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2010

	2009 £	2008 £
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, a company registered in England

No one party exercises control over NX Infrastructure Limited

RELATED PARTY TRANSACTIONS

Under the FRSE, 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	2009 £	2008 £
Debtor balances with related parties		
Included within debtors falling due within one year		
Pellowvale Properties Limited	-	8,341
Creditor balances with related parties		
Included within creditors falling due within one year		
Pellowvale Properties Limited	62,909	-
Transactions with related parties		
Rent payable to Pellowvale Properties Limited	60,000	60,000

NATURE OF RELATIONSHIPS

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