

Company registration No 04721037(England and Wales)

# NX INFRASTRUCTURE (WALES) LIMITED

## FINANCIAL STATEMENTS YEAR ENDED 30 APRIL 2010



# **NX INFRASTRUCTURE (WALES) LIMITED**

## **COMPANY INFORMATION**

### **Directors**

J E Orth  
R Baker  
P Rice (resigned 9 May 2009)  
J Nolan  
J Stang (resigned 18 August 2010)

### **Secretary**

J Williams

### **Company number**

04721037

### **Registered office**

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

### **Auditors**

BDO LLP  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 1HS

# **NX INFRASTRUCTURE (WALES) LIMITED**

## **CONTENTS**

<b>DIRECTORS' REPORT</b>	<b>4</b>
<b>AUDITORS REPORT</b>	<b>6</b>
<b>PROFIT AND LOSS ACCOUNT</b>	<b>8</b>
<b>BALANCE SHEET</b>	<b>9</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>10</b>

# **NX INFRASTRUCTURE (WALES) LIMITED**

## **DIRECTORS' REPORT**

For year ended 30 April 2010

The directors present their report and financial statements for the year ended 30 April 2010

### **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
- P Rice (resigned 9 May 2009)
- J Nolan
- R Baker
- J Stang (resigned 18 August 2010)

### **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 2010

#### 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



June 20, 2011

J E Orth

Director

# **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 30th April 2010 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 April 2008) (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 and express an opinion on 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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<sup>th</sup> April 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities, and
- 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 on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the company's ability to continue as going concern

At 30 April 2010, the company had net liabilities of £10,635,980 and had incurred a loss of £2,567,044 for the year then ended. The company is dependent on the 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. The group requires substantial further investment. The parent company is involved in continuing discussions to raise the necessary funds for the group. Whilst the directors of the parent are confident that funds will be forthcoming there is no guarantee the necessary funds will become available. In the event the parent company is unable to raise the necessary funds, the parent entity may not be able to provide financial support to the company and the company in turn may not be able to operate as a going concern.

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 company 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Andrew Stickland (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom  
United Kingdom  
Date 24 June 2011

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 2010

		<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
	<b>Notes</b>		
<b>Turnover</b>	2	192,405	621,312
<b>Cost of sales</b>		(2,338,538)	(1,196,976)
<b>Gross loss</b>		(2,146,133)	(575,664)
<b>Administrative expenses</b>		(420,222)	(2,464,184)
<b>Operating loss</b>	3	(2,566,355)	(3,039,848)
<b>Interest payable and similar charges</b>		(689)	(1,029)
<b>Loss on ordinary activities before taxation</b>		(2,567,044)	(3,040,877)
<b>Tax on loss on ordinary activities</b>	4	-	-
<b>Loss on ordinary activities after taxation</b>		(2,567,044)	(3,040,877)

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

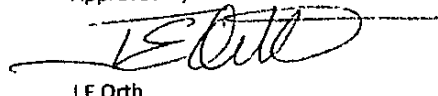
As at 30 April 2010

Company number 04721037

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		669,245		1,385,916
<b>Current assets</b>					
Stocks		191,864		1,398,771	
Debtors	6	90,629		251,562	
Cash at bank and in hand		43,919		15,601	
		<u>326,412</u>		<u>1,665,934</u>	
<b>Creditors amounts falling due within one year</b>	7	<u>(11,631,637)</u>		<u>(11,120,786)</u>	
<b>Net current (liabilities)</b>			<u>(11,305,225)</u>		<u>(9,454,852)</u>
<b>Total assets less current liabilities</b>			<u>(10,635,980)</u>		<u>(8,068,936)</u>
<b>Net liabilities</b>			<u>(10,635,980)</u>		<u>(8,068,936)</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account	9		<u>(10,635,981)</u>		<u>(8,068,937)</u>
<b>Shareholders' funds</b>			<u>(10,635,980)</u>		<u>(8,068,936)</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 April 2008)

Approved by the Board and authorized for issue on



J E Orth

Director

June 20, 2011

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 2010

### 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 April 2008)

#### GOING CONCERN

These financial statements have been prepared on a going concern basis

At 30 April 2010, the company had net liabilities of £10,635,980 and had incurred a loss of £2,567,044 for the year then ended £11,264,361 of the company's creditors comprised of a working capital loan from its parent undertaking, NX Infrastructure Limited

The company is dependent on the continuing support of its parent entity. The directors have received assurances from the parent that it will provide financial support to NX Infrastructure (Wales) Limited. The group requires substantial further investment. The parent is involved in continuing discussions to raise the necessary funds. Whilst the directors of the parent are confident that funds will be forthcoming there is no guarantee the necessary funds will become available. In the event the parent is unable to raise the necessary funds, the parent entity may not be able to provide financial support to the company and the company in turn may not be able to operate as a going concern.

Based on ongoing discussions and after taking into account all information that could reasonably be expected to be available, the directors are confident that the parent company will have adequate resources to continue in operational existence. For this reason, the directors continue to adopt the going concern basis in preparing these 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 such that the company could be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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).

# NX INFRASTRUCTURE (WALES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2010

### 1 3 TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised upon despatch of goods.

### 1 4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation or at net realisable value. 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 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:

	2010 £	2009 £
UK	83,841	97,562
USA	107,251	521,002
Rest of World	1,313	2,748
	<u>192,405</u>	<u>621,312</u>

# NX INFRASTRUCTURE (WALES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2010

### 3.0 OPERATING LOSS

	2010 £	2009 £
Operating loss is stated after charging		
Depreciation of tangible assets	716,670	179,556
Auditors' remuneration	7,000	15,000

There are no directors' remuneration in the year (2009 £nil)

### 4.0 TAXATION

No charge to corporation tax arises due to the loss for the year. The company has tax losses of approximately £9,320,000 (2009 £7,400,000) available for offset against future trading profits subject to agreement by HMRC.

No provision for a potential deferred tax asset of £2,115,000 (2009 £2,109,000) has been provided.

### 5.0 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures fittings & equipment £	Total £
<b>Cost:</b>			
At 1 May 2009	1,327,973	380,504	1,708,477
At 30 April 2010	1,327,973	380,504	1,708,477
<b>Depreciation</b>			
At 1 May 2009	165,088	157,473	322,561
Charge for the year	503,070	213,601	716,671
At 30 April 2010	668,158	371,074	1,039,232
<b>Net book value</b>			
At 30 April 2010	659,815	9,430	669,245
At 30 April 2009	1,162,885	223,031	1,385,916

# NX INFRASTRUCTURE (WALES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2010

### 6 0 DEBTORS

	2010 £	2009 £
Trade debtors	18,929	139,223
Other debtors	71,700	112,339
	<u>90,629</u>	<u>251,562</u>

### 7 0 CREDITORS: Amounts Falling Due Within One Year

	2010 £	2009 £
Trade creditors	138,928	204,715
Amounts owed to group undertakings	11,331,662	10,715,413
Taxation and social security	20,111	45,579
Other creditors	140,936	155,079
	<u>11,631,637</u>	<u>11,120,786</u>

### 8 0 SHARE CAPITAL

	2010 £	2009 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
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 2009	(8,068,937)
Loss for the year	<u>(2,567,044)</u>
Balance at 30 April 2010	<u>(10,635,981)</u>

# NX INFRASTRUCTURE (WALES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Continued

For year ended 30 April 2010

### 10.0 FINANCIAL COMMITMENTS

At 30 April 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2011

	2010 £	2009 £
Operating leases which expire within two years	60,000	-
Operating leases which expire between two and five years	-	60,000
	<u>60,000</u>	<u>60,000</u>

### 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 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	2010 £	2009 £
<b>Debtor balances with related parties</b>		
Included within debtors falling due within one year		
Pellowvale Properties Limited	<u>-</u>	<u>-</u>
<b>Creditor balances with related parties</b>		
Included within creditors falling due within one year		
Pellowvale Properties Limited	<u>122,909</u>	<u>62,909</u>
<b>Transactions with related parties</b>		
Rent payable to Pellowvale Properties Limited	<u>60,000</u>	<u>60,000</u>

### NATURE OF RELATIONSHIPS

Pellowvale Properties Limited is a company in which H Hardy who was a director of NX Infrastructure Limited until 24 August 2010, is a director and shareholder