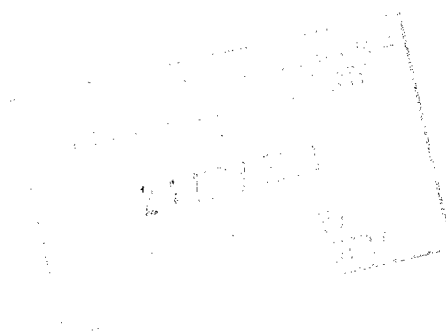




Registration number NI 43906

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Nirox Ltd
Abbreviated accounts
for the year ended 31 August 2007



Nirox Ltd

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Nirox Ltd

**Accountants' report to the Director on the
unaudited financial statements of Nirox Ltd**

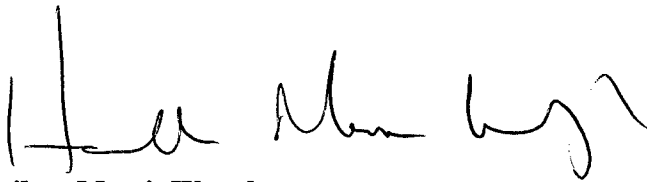
In accordance with the engagement letter dated 7 April 2007, and in order to assist you to fulfil your duties under the Companies (Northern Ireland) Order 1986, we have compiled the financial statements of the company which comprise the balance sheet and the related notes from the books of account and information and explanations you have given to us.

This report is made to the company's director in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so and state those matters that we have agreed to state to them in this 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 director for our work or for this report.

We have carried out this engagement in accordance with guidance issued by the Institute of Chartered Accountants in Ireland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 August 2007 your duty to ensure that the company has kept proper books of account and to prepare financial statements that give a true and fair view under the Companies (Northern Ireland) Order 1986. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Hamilton Morris Waugh
Chartered Accountants

15 October 2008

34 Dufferin Avenue
Bangor
Co Down
BT20 3AA

Nirox Ltd

**Abbreviated balance sheet
as at 31 August 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	2		445,000		71,000
Tangible assets	2		65,125		-
			<u>510,125</u>		<u>71,000</u>
Current assets					
Stocks		108,000		77,000	
Debtors		50,721		39,871	
Cash at bank and in hand		6,633		189,724	
		<u>165,354</u>		<u>306,595</u>	
Creditors: amounts falling due within one year		(713,001)		(372,524)	
Net current liabilities			<u>(547,647)</u>		<u>(65,929)</u>
Total assets less current liabilities			(37,522)		5,071
Creditors: amounts falling due after more than one year			<u>(23,959)</u>		<u>-</u>
Net (liabilities)/assets			<u>(61,481)</u>		<u>5,071</u>
Capital and reserves					
Called up share capital	3		10,000		10,000
Profit and loss account			<u>(71,481)</u>		<u>(4,929)</u>
Shareholders' funds			<u>(61,481)</u>		<u>5,071</u>

The director's statements required by Article 257B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 4 to 6 form an integral part of these financial statements.

Nirox Ltd

Abbreviated balance sheet (continued)

**Director's statements required by Article 257B(4)
for the year ended 31 August 2007**

In approving these abbreviated accounts as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Article 257A(1) of the Companies (Northern Ireland) Order 1986 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Article 257B(2) requesting that an audit be conducted for the year ended 31 August 2007 and

(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Article 229, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Article 234 and which otherwise comply with the provisions of the Companies (Northern Ireland) Order relating to financial statements, so far as applicable to the company.

In preparing these abbreviated accounts we have relied on the exemptions for individual financial statements conferred by Part VIII of the Companies (Northern Ireland) Order 1986 on the grounds that the company is entitled to the benefit of those exemptions as a small sized company.

The abbreviated accounts were approved by the Board on 15 October 2008 and signed on its behalf by

Nigel Kirkpatrick
Director



Nirox Ltd

Notes to the abbreviated financial statements for the year ended 31 August 2007

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	20% Straight Line
Fixtures, fittings and equipment	-	33% Straight line
Motor vehicles	-	25% straight line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Nirox Ltd

Notes to the abbreviated financial statements for the year ended 31 August 2007

..... continued

1.7. 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 exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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.

2. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1 September 2006	71,000	-	71,000
Additions	374,000	84,253	458,253
At 31 August 2007	<u>445,000</u>	<u>84,253</u>	<u>529,253</u>
Depreciation and			
Charge for year	-	19,128	19,128
At 31 August 2007	<u>-</u>	<u>19,128</u>	<u>19,128</u>
Net book values			
At 31 August 2007	<u>445,000</u>	<u>65,125</u>	<u>510,125</u>
At 31 August 2006	<u>71,000</u>	<u>-</u>	<u>71,000</u>

Nirox Ltd

**Notes to the abbreviated financial statements
for the year ended 31 August 2007**

..... continued

3. Share capital	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Equity Shares		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
4. Transactions with director		

The director has provided a personal guarantee to the Bank in respect of the company borrowings.