

Registered number 4760930

**RADIATION WATCH LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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COMPANIES HOUSE

## **RADIATION WATCH LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO RADIATION WATCH LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts of Radiation Watch Limited for the year ended 31 December 2007 set out on pages 2 to 7, together with the financial statements of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

#### **BASIS OF OPINION**

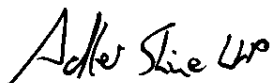
We conducted our work in accordance with Bulletin 2006/3 'The special auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with those provisions.

#### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, 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. The company incurred a loss after taxation of £1,653,070 during the year ended 31 December 2007 and, as of that date, the company's net liabilities were £213,064. These conditions, along with the fact that the company is in the process of raising additional working capital, indicate the existence of a material uncertainty, which may cast 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.



**ADLER SHINE LLP**  
Chartered Accountants  
Registered Auditor  
Aston House  
Cornwall Avenue  
London  
N3 1LF

24 April 2008

**RADIATION WATCH LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	2		138,821		100,010
Tangible fixed assets	3		30,688		42,628
			<u>169,509</u>		<u>142,638</u>
<b>CURRENT ASSETS</b>					
Debtors		184,679		148,480	
Cash at bank and in hand		57,096		314,056	
		<u>241,775</u>		<u>462,536</u>	
<b>CREDITORS:</b> amounts falling due within one year		<u>(233,348)</u>		<u>(174,257)</u>	
<b>NET CURRENT ASSETS</b>			8,427		288,279
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>177,936</u>		<u>430,917</u>
<b>CREDITORS</b> amounts falling due after more than one year	4		<u>(391,000)</u>		<u>-</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u>(213,064)</u>		<u>430,917</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		257,333		229,412
Share premium account			5,251,888		4,270,720
Profit and loss account			<u>(5,722,285)</u>		<u>(4,069,215)</u>
<b>SHAREHOLDERS' (DEFICIT)/FUNDS</b>			<u>(213,064)</u>		<u>430,917</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf 24 April 2008



**P T Doughty**  
Director

Date 24 April 2008

The notes on pages 3 to 7 form part of these financial statements

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

**1.2 GOING CONCERN**

The company incurred a loss after taxation of £1,653,070 during the year ended 31 December 2007 and, as of that date, the company's net liabilities were £213,064. These conditions, along with the fact that the company is in the process of raising additional working capital, indicate the existence of a material uncertainty, which may cast doubt about the company's ability to continue as a going concern. The Directors are, however, confident of a successful outcome to the fundraising process and hence they have adopted the going concern basis in the preparation of these accounts. Should it transpire that the fundraising is not successful then an alternative basis for the preparation of the accounts may have been appropriate.

**1.3 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

*Financial liability and equity*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Convertible loan notes*

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non convertible debt. If there is a difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the company, it is included in equity.

**1.4 TURNOVER**

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

**1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life.

**1.6 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land and buildings	-	Over the term of the lease
Fixtures, fittings & equipment	-	25% of written down value

## **RADIATION WATCH LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.7 OPERATING LEASES**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### **1.8 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 way 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 during which the company is expected to benefit.

#### **2 INTANGIBLE FIXED ASSETS**

	£
<b>COST</b>	
At 1 January 2007	200,000
Additions	74,053
	<hr/>
At 31 December 2007	274,053
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<b>AMORTISATION</b>	
At 1 January 2007	99,990
Charge for the year	35,242
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At 31 December 2007	135,232
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<b>NET BOOK VALUE</b>	
At 31 December 2007	138,821
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At 31 December 2006	100,010
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**RADIATION WATCH LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**3. TANGIBLE FIXED ASSETS**

	£
<b>COST</b>	
At 1 January 2007 and 31 December 2007	57,954
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<b>DEPRECIATION</b>	
At 1 January 2007	15,326
Charge for the year	11,940
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At 31 December 2007	27,266
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<b>NET BOOK VALUE</b>	
At 31 December 2007	30,688
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At 31 December 2006	42,628
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# RADIATION WATCH LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 4 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The secured convertible loan notes are repayable at par on 31 December 2010 or earlier on the occurrence of a conversion event. A conversion event is the sale or listing of the company on a recognised stock exchange. Interest is payable on the loan notes at a rate of 3.5% above Barclays base rate. The loan notes are secured by a fixed and floating charge over all the undertakings, property, assets and rights of the company.

	2007 £	2006 £
Secured convertible loan notes	(391,000)	-

### 5. SHARE CAPITAL

	2007 £	2006 £
<b>AUTHORISED</b>		
1,998,200 Ordinary shares of 5p each	99,910	99,910
4,920,000 'A' Preference shares of 5p each	246,000	246,000
150,700 'A' Ordinary shares of 5p each	7,535	7,535
	<u>353,445</u>	<u>353,445</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,629,250 (2006 - 1,623,971) Ordinary shares of 5p each	81,463	81,199
3,381,814 (2006 - 2,828,682) 'A' Preference shares of 5p each	169,091	141,434
135,580 'A' Ordinary shares of 5p each	6,779	6,779
	<u>257,333</u>	<u>229,412</u>

The following fully paid shares were allotted during the year: 5,279 (2006: 23,971) Ordinary Shares, 553,132 (2006: 945,163) 'A' Preferred Shares and Nil (2006: 35,248) 'A' Ordinary Shares. The nominal value of these shares was £27,921 (2006: £50,219) and the consideration received was £1,093,936 (2006: £2,017,803).

On 9 March 2007 the company allotted 5,279 Ordinary shares of 5p each for a cash consideration of £10,342.

On 29 May 2007 the company allotted 522,646 'A' Preference shares of 5p each for a cash consideration of £1,023,868.

On 24 October 2007 the company allotted 24,886 'A' Preference shares of 5p each for a cash consideration of £48,756.

On 1 November 2007 the company allotted 5,600 'A' Preference shares of 5p each for a cash consideration of £10,970.

**RADIATION WATCH LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**6 CONTROLLING PARTY**

There was no controlling party during the year