



Financial Statements

Nu-way Energy Limited (formerly Frameroad Limited)

For the year ended 31 December 2009



Company No. 00092181

Company information

| | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Company registration number | 00092181 |
| Registered office | Vines Lane Droitwich Worcestershire WR9 8LU |
| Director | R F Hancox |
| Secretary | D M Hancox |
| Solicitors | Eversheds 115 Colmore Row Birmingham B3 3AL |
| Auditor | Grant Thornton UK LLP Chartered Accountants Registered Auditors 115 Edmund Street Birmingham B3 2HJ |

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Report of the director

The director presents his report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is that of an investment company

Change of name

On 13 March 2009, the company changed its name to Nu-Way Energy Limited

Business review and future developments

The business continues to perform satisfactorily. The director will continue to seek new opportunities

Results and dividends

The loss for the year after tax amounted to £16,399 (2008 profit of £108,840)

There were no interim or final dividends paid during the year (2008 £nil). The loss for the year has been transferred from reserves

The company made no donations during the year (2008 £nil)

Director

The present director of the company is set out on page 1

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 these financial statements, the director is 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

Report of the director (continued)

Statement of director's responsibilities (continued)

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

The director is responsible for the maintenance and integrity of the website and accordingly the auditors accept no responsibility for the information published.

Information published on the website is accessible in many countries and legislation in the UK concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under s415 of the Companies Act 2006.

Approval

The report of the director was approved by the Board on 27 April 2010 and signed on its behalf by



R F HANCOX
Director



Report of the independent auditor to the members of Nu-way Energy Limited (formerly Frameroad Limited)

We have audited the financial statements of Nu-way Energy Limited (formerly Frameroad Limited) for the year ended 31 December 2009 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.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 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of Nu-way Energy Limited (formerly Frameroad Limited) (continued)

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

David Munton
Senior Statutory Auditor
for and on behalf of
GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
BIRMINGHAM

27 April 2010

Principal accounting policies (continued)

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes

In accordance with FRS 19 deferred tax is not provided on timing differences arising from gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted

Going concern

The directors have considered the group's ability to continue as a going concern. Given the considerable financial resources held by the group, the profit generated in the current year and the forecast trading and cash flow performance of the group, the directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 December. Exchange differences are taken to the profit and loss account

Pensions

The company accounts for the defined benefit scheme in accordance with FRS 17

The operating profit is charged with the cost of providing pension benefits earned by employees in the period

The expected return on pension scheme assets less the interest on pension scheme liabilities is shown as a finance cost within the profit and loss account

Actuarial gains and losses arising in the period from the difference between the actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the changes in assumptions are included in the Statement of Total Recognised Gains and Losses

Recoverable pension surpluses and pension scheme deficits and the associated deferred tax balances are recognised in full and included in the balance sheet

The company also operates a defined contribution scheme. The assets of the scheme are held separately

Principal accounting policies (continued)

Pensions (continued)

from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Financial costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Cash flow statement

The company has taken advantage of the exemption allowed under Financial Reporting Standard No. 1 (Revised) not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK parent undertaking.

Royalty income

The company accrues for royalty income over the period to which that income relates.

Investments

Investments are shown at cost less provision for impairment.

Profit and loss account

| | Note | 2009 £ | 2008 £ |
|-------------------------------------------------------------|------|-----------------|-----------------|
| Turnover - continuing operations | 1 | - | 24,310 |
| Administrative expenses | | (42,311) | (84,657) |
| Operating loss | 2 | (42,311) | (60,347) |
| Net interest receivable | 5 | 19,534 | 211,513 |
| (Loss)/profit on ordinary activities before taxation | | (22,777) | 151,166 |
| Tax on (loss)/profit on ordinary activities | 6 | 6,378 | (42,326) |
| (Loss)/profit for the financial year | 11 | (16,399) | 108,840 |

There have been no other gains or losses recognised during the current or prior year

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

| | Note | 2009 £ | 2008 £ |
|-----------------------------------------------------------|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Debtors | 7 | 588,910 | 455,120 |
| Investments | 8 | - | 316,801 |
| Cash at bank and in hand | | <u>1,162,814</u> | <u>1,028,042</u> |
| | | 1,751,724 | 1,799,963 |
| Creditors: amounts falling due within one year | 9 | <u>(47,241)</u> | <u>(79,081)</u> |
| Net current assets | | 1,704,483 | 1,720,882 |
| Pension surplus/deficit | | - | - |
| Net assets | | <u>1,704,483</u> | <u>1,720,882</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 196,798 | 196,798 |
| Share premium account | 11 | 1,910,900 | 1,910,900 |
| Profit and loss account | 11 | <u>(403,215)</u> | <u>(386,816)</u> |
| Equity shareholders' funds | 11 | <u>1,704,483</u> | <u>1,720,882</u> |

These financial statements were approved by the director and authorised for issue on 27 April 2010



R F Hancox
 Director

Company No 00092181

Notes to the financial statements

1 Turnover

Turnover represents royalty income, stated net of value added tax

2 Operating loss

Operating loss is stated after charging

| | 2009 £ | 2008 £ |
|-----------------------------------------------------|--------------|--------------|
| Auditors' remuneration for the audit of the company | <u>1,000</u> | <u>1,000</u> |

3 Director's emoluments

No director's emoluments were paid in the year (2008 £nil) There were no company contributions to money purchase pension schemes on behalf of the director (2008 £nil)

4 Employees

The company has no employees (2008 None)

5 Net interest receivable

| | 2009 £ | 2008 £ |
|-----------------------------------------------|---------------|----------------|
| Interest receivable and similar income | | |
| Corporate bonds | 2,126 | 19,221 |
| Bank deposits | 4,427 | 28,780 |
| Interest received from group companies | 12,855 | - |
| Other interest received | - | 21,400 |
| Foreign exchange gains | 126 | 142,112 |
| | <u>19,534</u> | <u>211,513</u> |

Notes to the financial statements

6 Taxation on ordinary activities

(a) Analysis of (credit)/charge in the year

| | 2009 £ | 2008 £ |
|--------------------------------------|----------------|---------------|
| Corporation tax | | |
| Group relief | (6,378) | 42,326 |
| Adjustment in respect of prior years | | |
| Group relief | - | 31,715 |
| Corporation tax | - | (31,715) |
| | <u>(6,378)</u> | <u>42,326</u> |

(b) Reconciliation of tax (credit)/charge

| | 2009 % | 2008 % |
|----------------------------------------------------------------|-----------|-----------|
| Effective rate of current tax on profit on ordinary activities | 28 | 28 |
| Standard rate of tax | <u>28</u> | <u>28</u> |
| Difference | <u>-</u> | <u>-</u> |

7 Debtors

| | 2009 £ | 2008 £ |
|-------------------------------------|----------------|----------------|
| Other debtors | - | 200,000 |
| Prepayments and accrued income | 174 | 4,151 |
| Group relief receivable | 6,378 | - |
| Amounts due from group undertakings | 582,358 | 250,969 |
| | <u>588,910</u> | <u>455,120</u> |

Notes to the financial statements

8 Investments

| | 2009 | 2008 |
|-------------------------|------|---------|
| | £ | £ |
| Corporate bonds at cost | - | 316,801 |

9 Creditors: amounts falling due within one year

| | 2009 | 2008 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Other taxation and social security | 2,719 | 1,179 |
| Amounts owed to group undertakings | 26,957 | 26,575 |
| Accruals and deferred income | 17,565 | 9,001 |
| Group relief | - | 42,326 |
| | <u>47,241</u> | <u>79,081</u> |

10 Share capital

Authorised share capital

| | 2009 | 2008 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Equity | | |
| Ordinary shares of £1 each | 5,175 | 5,175 |
| Deferred shares of £1 each | 187,325 | 187,325 |
| Preference shares of £1 each | 7,500 | 7,500 |
| | <u>200,000</u> | <u>200,000</u> |

Allotted, called up and fully paid

| | 2009 | 2008 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Equity | | |
| Ordinary shares of £1 each | 1,973 | 1,973 |
| Deferred shares of £1 each | 187,325 | 187,325 |
| Preference shares of £1 each | 7,500 | 7,500 |
| | <u>196,798</u> | <u>196,798</u> |

All shares rank parri passu

Notes to the financial statements

11 Reconciliation of equity shareholders' funds and movement on reserves

| | Share capital £ | Share premium £ | Profit and loss account £ | Total £ |
|---------------------|-----------------------|-----------------------|------------------------------------|------------------|
| At 1 January 2009 | 196,798 | 1,910,900 | (386,816) | 1,720,882 |
| Loss for the year | - | - | (16,399) | (16,399) |
| At 31 December 2009 | <u>196,798</u> | <u>1,910,900</u> | <u>(403,215)</u> | <u>1,704,483</u> |

12 Contingent liabilities

The company is party, together with its holding company and fellow subsidiary companies, to a group banking arrangement which includes multilateral cross guarantees. At 31 December 2009, the contingent liability under this arrangement was £4,004,738 (2008 £3,701,993)

13 Pensions

The company formerly operated a defined benefit pension scheme. The scheme was closed to new entrants and to future service accrual on 5 November 2000. It was replaced by a defined contribution pension scheme. At the last actuarial valuation at 5 April 2006, the market value of the scheme's assets was £4,952,600 and the ongoing funding level was 105.4%.

Contributions to the defined contribution scheme are charged to the profit and loss account in the period in which they fall due. The pension cost charge for the year ended 31 December 2009 was £nil (2008 £nil).

An actuarial valuation of the defined benefit scheme was carried out as at 31 December 2006 for FRS17 purposes and updated to 31 December 2008 and 2009. In the valuation no account was taken of the value of pension benefits which are exactly matched on a valuation basis by pensions secured within a deferred annuity policy.

Benefits are calculated on an equivalent projected unit method. The principal assumptions made in determining the liabilities of the scheme are: Deferred pensions increase in line with Revaluation Orders, pensions in payment increase at the annual rate of 3% in respect of service prior to 6 April 1997 and at Limited Price Indexation thereafter, discount rate 5% (2008 5.7%, 2007 5.2%). The scheme assets comprise the deferred annuity policy and cash.

The assets and liabilities of the schemes comprise

| | 2009 £'000 | 2008 £'000 | 2007 £'000 |
|-------------------------------------|---------------|---------------|---------------|
| Fair value of scheme assets | 22 | 62 | 114 |
| Present value of scheme liabilities | (22) | (62) | (114) |
| Surplus/deficit at 31 December | <u>-</u> | <u>-</u> | <u>-</u> |

The yield on fund assets is expected to be 0.3% (2008 and 2007 1.6% and 5.2%). The actual yield in 2009 is nil% (2008 and 2007 3.2% and 4.7%). The investment portfolio of the fund at 31 December 2009 was split as follows: other investments 100% (2008 other investments 100%).

Notes to the financial statements

14 Related party transactions

At 31 December 2009, the company was a wholly owned subsidiary of Inter Rested Limited, and is therefore exempt from making disclosures under paragraph 3(c) of FRS 8 "Related Party Transactions"

15 Ultimate holding company

The ultimate holding company is Inter Rested Limited, a company incorporated in England and Wales. Copies of the Inter Rested Limited accounts are available from Companies House, Crown Way, Cardiff, CF4 3HZ