

N.E.S.T.MAKERS Limited
Annual Report and Financial Statements
for the year ended 31 March 2006

Registered Number 3937132

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N.E.S.T.MAKERS Limited
Annual Report and Financial Statements
for the year ended 31 March 2006
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N.E.S.T.MAKERS Limited

Directors and advisors

Chairman

Mr John Clough

Directors

Mr John Clough

Mr Raymond Jack (resigned 8 August 2005)

Mr Joseph Johnson (resigned 8 August 2005)

Mr Marty Lawrence (resigned 8 August 2005)

Mr William MacDiarmid

Mr David Wark (resigned 8 August 2005)

Secretary and registered office

Mr Christopher Judd

Eaga House

Archbold Terrace

Jesmond

Newcastle upon Tyne

NE2 1DB

Independent auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Solicitors

Salans Hertzfeld & Heilbronn HRK

Clements House

14-18 Gresham Street

London

EC2V 7NN

Bankers

National Westminster Bank plc

Keel Row House

1 Sandgate

Quayside

Newcastle upon Tyne

NE1 2NG

N.E.S.T.MAKERS Limited

Directors' report for the year ended 31 March 2006

The directors present their report and the audited financial statements of the company for the year ended 31 March 2006.

Principal activities

The company's principal activity was to undertake energy efficiency surveys and provide energy efficiency advice to customers along with energy tariff advice. The principal market in which the company operated was the 'fuel poor' and benefit market.

Following a change in market conditions, the directors concluded that the short to medium term opportunities for the company were limited. As such the company discontinued their existing trading activities on 15 April 2005. The directors intend to periodically review opportunities for the company and may recommence trading if they consider market conditions allow.

Result for the year

The company made a loss after taxation of £78,737 in the year ended 31 March 2006 (2005: £194,823). There was no dividend recommended in the year (2005: £Nil).

The company has net liabilities of £1,517,265 at 31 March 2006 (2005: £1,438,528). The directors have received a commitment in writing from each of the joint venture partners that sufficient funding will be made available to the company to continue operations and meet liabilities as they fall due for the foreseeable future.

Directors

The details of directors who served during the year are set out on page 1. None of the directors had any interests in the shares of the company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

N.E.S.T.MAKERS Limited

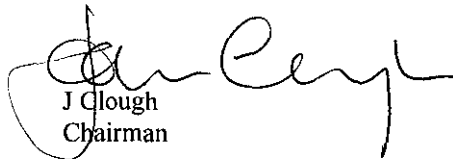
Auditors and disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- So far as the director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- *The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.*

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors will be proposed at the forthcoming annual general meeting.

By order of the Board


J Clough
Chairman

30 January 2007

N.E.S.T.MAKERS Limited

Independent auditors' report to the shareholders of N.E.S.T. MAKERS Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

N.E.S.T.MAKERS Limited

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

30 January 2007

N.E.S.T.MAKERS Limited

Profit and loss account for the year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover		(414)	2,457,219
Administrative expenses		(12,123)	(2,636,791)
Operating loss	3	(12,537)	(179,572)
Interest payable	4	(98,937)	(92,552)
Interest receivable	5	24	-
Loss on ordinary activities before taxation		(111,450)	(272,124)
Taxation	6	32,713	77,301
Loss on ordinary activities after taxation	11	(78,737)	(194,823)

All of the above amounts relate to discontinued activities.

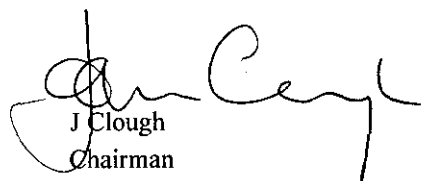
A statement of total recognised gains and losses and a reconciliation to historical cost profits and losses are not shown as all gains and losses for the year are recognised in the profit and loss account under the historical cost convention.

N.E.S.T.MAKERS Limited

Balance sheet as at 31 March 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	7	70,371	216,870
Cash at bank and in hand		35,577	47,321
		105,948	264,191
Creditors: amounts falling due within one year	8	(18,981)	(245,359)
Net current assets		86,967	18,832
Total assets less current liabilities		86,967	18,832
Creditors: amounts falling due after one year	9	(1,604,232)	(1,457,360)
Net liabilities		(1,517,265)	(1,438,528)
Capital and reserves			
Called up share capital	10	45,000	45,000
Profit and loss account	11	(1,562,265)	(1,483,528)
Equity shareholders' deficit	12	(1,517,265)	(1,438,528)

The financial statements on pages 6 to 15 were approved by the Board of directors on 30 January 2007 and were signed on its behalf by:


J Clough
Chairman

N.E.S.T.MAKERS Limited

Statement of accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and comply with the requirements of the Companies Act 1985. A summary of the accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and on the going concern basis. The directors consider this to be appropriate as the company has continued support of the shareholders, Eaga Partnership Limited and ScottishPower Energy Retail Limited.

Tangible fixed assets

Tangible fixed assets are stated at cost, including incidental expenses incurred on acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Equipment	33.3%
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Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Turnover

Turnover is recognised in full when the energy efficient survey is performed by the company, and after a 14 day cooling off period for energy tariff advice.

Pension scheme

The company operates a defined contribution pension scheme for the benefit of its employees. The company's contributions to this scheme, which are based on employee earnings, are recognised in the period in which the related payroll costs are incurred.

Cash flow statement

N.E.S.T.MAKERS Limited is a small company. The directors have taken advantage of the exemption from preparing a cash flow statement afforded to them in Financial Reporting Standard No 1 "Cash flow statements".

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax balances are not discounted.

N.E.S.T.MAKERS Limited

Notes to the financial statements for the year ended 31 March 2006

1 Directors' emoluments

None of the directors received any remuneration in respect of their services as directors of the company in the year (2005: Nil).

2 Employee information

The average number of employees, including executive directors, employed by the company during the year was:

By activity	2006	2005
Advisors	-	11
Administration	-	8
	-	19

The aggregate payroll costs comprised:

	2006	2005
	£	£
Wages and salaries	-	368,290
Social security costs	-	32,980
Pension costs	-	7,296
	-	408,566

N.E.S.T.MAKERS Limited

3 Operating loss

	Note	2006 £	2005 £
<i>Operating loss is stated after charging:</i>			
Depreciation of tangible fixed assets		-	2,356
Loss on disposal of fixed assets		-	3,849
<i>Auditors' remuneration for:</i>			
Audit		-	4,500
Other services to the company	(i)	-	3,367
Hire of plant and machinery – operating leases		-	30,092

(i) Fees for other services represent tax services.

4 Interest payable

	2006 £	2005 £
Interest payable on loans from shareholders	98,937	92,552

5 Interest receivable

	2006 £	2005 £
Bank interest	24	-

N.E.S.T.MAKERS Limited

6 Taxation

(a) Analysis of credit in the year

	2006 £	2005 £
Current tax:		
UK corporation tax on profits of the year	(43,258)	(34,080)
Adjustments in respect of previous years	10,545	(54,632)
Total current tax	(32,713)	(88,712)
Deferred tax:		
Origination and reversal of timing differences	9,823	11,411
Adjustments in respect of previous years	(9,823)	-
Total deferred tax	-	11,411
Total tax credit	(32,713)	(77,301)

(b) Factors affecting tax credit for the year

	2006 £	2005 £
Loss on ordinary activities before tax	(111,450)	(272,124)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005: 30%)	(33,435)	(81,637)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	58,067
Accelerated capital allowances/other timing differences	(9,823)	(10,510)
Adjustments to tax charge in respect of previous years	10,545	(54,632)
Current tax credit for the year	(32,713)	(88,712)

(c) Factors that may affect future tax charges

There are no factors that are expected to materially affect future tax charges.

N.E.S.T.MAKERS Limited

7 Debtors

	2006	2005
	£	£
Trade debtors	-	9,791
Amounts due from related undertakings	35,778	147,184
Corporation tax	34,591	54,500
Prepayments and accrued income	-	5,393
Called up share capital not fully paid	2	2
	70,371	216,870

8 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	4,394	4,103
Amounts owed to related undertakings	8,470	98,634
Taxation and social security	-	22,287
Other creditors	-	25
Accruals and deferred income	6,117	120,310
	18,981	245,359

9 Creditors: amounts falling due after one year

	2006	2005
	£	£
Loans owed to related undertakings	1,604,232	1,457,360

The above loans are owed to Eaga Partnership Limited and Scottish Power UK plc as disclosed in note 15. Both of the above loans are repayable between two and five years. Interest is payable at a rate of 2% above the NatWest Bank base rate per annum and compounded annually.

N.E.S.T.MAKERS Limited

10 Called up share capital

	2006 £	2005 £
Authorised		
22,500 (2005: 22,500) "A" shares of £1 each	22,500	22,500
22,500 (2005: 22,500) "B" shares of £1 each	22,500	22,500
50,000 (2005: 50,000) ordinary shares of 10p each	5,000	5,000
	50,000	50,000
Allotted, called up and fully paid		
22,498 (2005: 22,498) "A" shares of £1 each	22,498	22,498
22,500 (2005: 22,500) "B" shares of £1 each	22,500	22,500
	44,998	44,998
Allotted, called up share capital not fully paid		
2 (2005: 2) "A" shares of £1 each	2	2
	45,000	45,000

The "A" shares and "B" shares rank pari passu in respect of voting rights, rights to dividends and their priority on winding up.

11 Reserves

	Profit and loss account £
At 1 April 2005	(1,483,528)
Loss for the year	(78,737)
At 31 March 2006	(1,562,265)

12 Reconciliation of movements in equity shareholders' deficit

	2006 £	2005 £
Opening equity shareholders' deficit	(1,438,528)	(1,243,705)
Loss for the year	(78,737)	(194,823)
Closing equity shareholders' deficit	(1,517,265)	(1,438,528)

N.E.S.T.MAKERS Limited

13 Financial commitments

Annual financial commitments under non-cancellable operating leases at the balance sheet date were:

	2006	2005
	£	£
Expiring:		
Within two to five years inclusive	-	1,021
	-	1,021

14 Pension obligations

The company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund managed by NPI Group. The pension cost charged to the profit and loss account represents contributions payable by the company to the fund and amounted to £Nil (2005: £7,296). The company is no longer making pension contributions as it has ceased trading and has no employees.

N.E.S.T.MAKERS Limited

15 Related party transactions

Related party transactions and balances arising in the normal course of business:

	2006	2005
	£	£
Eaga Partnership Limited		
Sales to Eaga Partnership Limited in the year	-	489,606
Costs incurred recharged by Eaga Partnership Limited in the year	-	84,554
Interest payable on loan from Eaga Partnership Limited in the year	49,469	46,276
Amount owed by Eaga Partnership Limited at 31 March	-	142,785
Amount owed to Eaga Partnership Limited at 31 March	-	45,543
Outstanding loan balance due to Eaga Partnership Limited at 31 March	802,572	729,108

	2006	2005
	£	£
Scottish Power UK plc and its subsidiaries		
Sales to Scottish Power UK plc and its subsidiaries in the year	-	546,428
Costs incurred recharged by Scottish Power UK plc and its subsidiaries in the year	-	112,486
Interest payable on loan by Scottish Power UK plc and its subsidiaries in the year	49,468	46,276
Amount owed by Scottish Power UK plc and its subsidiaries at 31 March	-	4,399
Amount owed to Scottish Power UK plc and its subsidiaries at 31 March	-	53,091
Outstanding loan balance due to Scottish Power UK plc and its subsidiaries at 31 March	801,660	728,252

16 Ultimate controlling party

The shares of the company are owned equally by Eaga Partnership Limited and ScottishPower Energy Retail Limited. As such there is no single ultimate controlling party.