

N.E.S.T.MAKERS Limited
Annual Report
for the year ended 31 March 2007

Registered Number 3937132

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N.E.S.T.MAKERS Limited
Annual Report and Financial Statements
for the year ended 31 March 2007
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N.E.S.T.MAKERS Limited

Directors and advisors

Chairman

Mr John Clough

Directors

Mr John Clough

Mr William MacDiarmid

Company Secretary and registered office

Mr Christopher Judd

eaga House

Archbold Terrace

Jesmond

Newcastle upon Tyne

NE2 1DB

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

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 2007

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

Principal activity

The company did not trade during the period

Business review

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 before taxation of £116,546 in the year ended 31 March 2007 (2006 £111,450)

There was no dividend recommended in the year (2006 £Nil)

The company had net liabilities of £1,598,847 at 31 March 2007 (31 March 2006 £1,517,265) 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, and up to the date of signing the financial statements are set out on page 1

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 2007 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

Small companies provision

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

N.E.S.T.MAKERS Limited

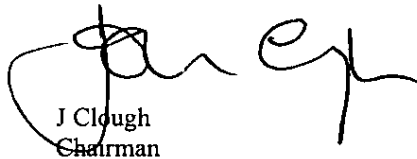
Independent auditors and disclosure of information to auditors

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the Board



J Clough
Chairman

29 January 2008

N.E.S.T.MAKERS Limited

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

We have audited the financial statements of N E S T Makers Limited for the year ended 31 March 2007, which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 in to 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 also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition 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 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 judgements 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 May 2007 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- 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

28 January 2008

N.E.S.T.MAKERS Limited

Profit and loss account for the year ended 31 March 2007

	Notes	2007 £	2006 £
Turnover		-	(414)
Administrative expenses		(5,927)	(12,123)
Operating loss		(5,927)	(12,537)
Interest payable	3	(112,665)	(98,937)
Interest receivable	4	2,046	24
Loss on ordinary activities before taxation		(116,546)	(111,450)
Tax on loss on ordinary activities	5	34,964	32,713
Loss on ordinary activities after taxation	10	(81,582)	(78,737)

All of the above amounts relate to discontinued activities

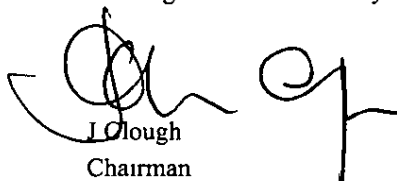
A statement of total recognised gains and losses and a reconciliation to historical cost profits and losses are not shown as all gains and losses for the year are recognised in the profit and loss account under the historical cost convention

N.E.S.T.MAKERS Limited

Balance sheet as at 31 March 2007

	Notes	2007 £	2006 £
Current assets			
Debtors	6	40,350	70,371
Cash at bank and in hand		57,613	35,577
		97,963	105,948
Creditors: amounts falling due within one year	7	(12,626)	(18,981)
Net current assets		85,337	86,967
Total assets less current liabilities		85,337	86,967
Creditors amounts falling due after more than one year	8	(1,684,184)	(1,604,232)
Net liabilities		(1,598,847)	(1,517,265)
Capital and reserves			
Called up share capital	9	45,000	45,000
Profit and loss account	10	(1,643,847)	(1,562,265)
Equity shareholders' deficit	11	(1,598,847)	(1,517,265)

The financial statements on pages 6 to 13 were approved by the Board of directors on 28 January 2008 and were signed on its behalf by


J. O'lough
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 plc and ScottishPower Energy Retail Limited.

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 2007

1 Directors' emoluments

None of the directors received any remuneration in respect of their services as directors of the company in the year (2006 Nil)

2 Employee information

The company is no longer trading and has no employees, therefore no employee costs were incurred in the current or the prior year

3 Interest payable

	2007	2006
	£	£
Interest payable on loans from related underakings	112,665	98,937

4 Interest receivable

	2007	2006
	£	£
Bank interest	2,046	24

N.E.S.T.MAKERS Limited

5 Taxation

(a) Analysis of credit in the year

	2007 £	2006 £
Current tax:		
UK corporation tax on loss of the year	(34,964)	(43,258)
Adjustments to tax charge in respect of previous years	-	10,545
Total current tax	(34,964)	(32,713)
Deferred tax:		
Origination and reversal of timing differences	-	9,823
Adjustments in respect of previous years	-	(9,823)
Total deferred tax	-	-
Total tax credit	(34,964)	(32,713)

(b) Factors affecting current tax credit for the year

The current tax credit assessed for the year is equivalent to (2006 lower than) the standard rate of corporation tax in the UK of 30%. This difference is explained below

	2007 £	2006 £
Loss on ordinary activities before tax	(116,546)	(111,450)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(34,964)	(33,435)
<i>Effects of</i>		
Accelerated capital allowances/other timing differences	-	(9,823)
Adjustments to tax charge in respect of previous years	-	10,545
Total current tax on loss on ordinary activities	(34,964)	(32,713)

(c) Factors that may affect future tax charges

A number of changes to the UK corporation tax system were announced in the March 2007 Budget Statement and are expected to be enacted in the 2007 and 2008 Finance Acts. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

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

N.E.S.T.MAKERS Limited

6 Debtors

	2007	2006
	£	£
Amounts due from related undertakings	-	35,778
Corporation tax	34,964	34,591
Other debtors	5,384	-
Called up share capital not fully paid	2	2
	40,350	70,371

Amounts owed by related undertakings are unsecured, interest free and have no fixed date of repayment

7 Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	126	4,394
Amounts owed to related undertakings	-	8,470
Accruals and deferred income	12,500	6,117
	12,626	18,981

Amounts owed to related undertakings are unsecured, interest free and repayable on demand

8 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Loans owed to related undertakings	1,684,184	1,604,232

The above loans are owed to eaga plc (formerly Eaga Partnership Limited) and Scottish Power UK plc as disclosed in note 12 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

9 Called up share capital

	2007	2006
	£	£
Authorised		
22,500 "A" shares of £1 each	22,500	22,500
22,500 "B" shares of £1 each	22,500	22,500
50,000 ordinary shares of 10p each	5,000	5,000
	50,000	50,000
Allotted, called up and fully paid		
22,498 "A" shares of £1 each	22,498	22,498
22,500 "B" shares of £1 each	22,500	22,500
	44,998	44,998
Allotted, called up and not fully paid		
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

10 Reserves

	Profit and loss account £
At 1 April 2006	(1,562,265)
Loss for the year	(81,582)
At 31 March 2007	(1,643,847)

11 Reconciliation of movements in shareholders' deficit

	2007	2006
	£	£
Opening shareholders' deficit	(1,517,265)	(1,438,528)
Loss for the year	(81,582)	(78,737)
Closing shareholders' deficit	(1,598,847)	(1,517,265)

N.E.S.T.MAKERS Limited

12 Related party transactions

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

	2007	2006
	£	£
eaga plc		
Interest payable on loan from eaga plc in the year	56,332	49,469
Outstanding loan balance due to eaga plc at 31 March	842,689	802,572

	2007	2006
	£	£
Scottish Power UK plc and its subsidiaries		
Interest payable on loan by Scottish Power UK plc and its subsidiaries in the year	56,333	49,468
Outstanding loan balance due to Scottish Power UK plc and its subsidiaries at 31 March	841,495	801,660

13 Ultimate controlling party

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