Infinis (Re-Gen) Limited (formerly Summerleaze Regeneration Limited)

Directors' report and financial statements

Registered number 151665

Fifteen month period ended 31 March 2008

Contents

Directors' report

The directors (the "Directors") present their Directors' report and the financial statements of Infinis (Re-Gen) Limited (formerly Summerleaze Regeneration Limited) (the "Company") for the fifteen month period ended 31 March 2008.

Principal activity

The principal activity of the Company is the generation and sale of electricity from landfill gas.

Change of name

The Company changed its name from Summerleaze Regeneration Limited to Infinis (Re-Gen) Limited on 13 February 2007.

Business review

Financial Performance: The Company has changed its accounting reference date from 31 December to 31 March. The Company's results cover the fifteen month period to 31 March 2008. The results for the period are set out in the profit and loss account on page 7.

Performance and developments: Landfill gas is classified as a renewable energy source in the UK. As a result, the production of electricity from non-fossil fuels receives financial incentives from the UK government via the Non-Fossil Fuel Obligation (NFFO) and Renewables Obligation regimes.

Continually looking to improve the health and safety of our employees remains an important objective. The Company has a low incidence of serious accidents but further initiatives and improvements are planned.

Principal risks and uncertainties: The Directors consider that the Company faces the following principal risks:

We consider that the main risks to our operations relate to asset performance, in particular engine reliability, the weather and health, safety and environmental standards. We manage all of these risks appropriately in the business. We are particularly proud of our Central Logistics Centre from which we can manage our asset performance on a 24 hour, 7 days a week basis. We are able to remotely restart engines as well as prioritise our resources to ensure the best and quickest solution to any operational matters.

Directors' report *(continued)*

Key performance indicators (KPIs):

The Directors consider the two main KPIs for the Company to be:

1. Average selling price per kilowatt hour.

   This has increased by 11.4% from the prior period due to a higher proportion of revenue from RO contracts.

2. Megawatt hours exported to the grid.

   This has decreased by 2% year-on-year reflecting the adverse weather conditions and down time due to extensive development activity at some sites.

Prospects for 2009:

With the commitment of the EU to increase all energy consumption that comes from renewable sources in the forthcoming years the Directors believe that 2009 will continue to show a growth in sales from continuing operations.

Proposed dividend

A dividend of £10,000,000 was paid in the period (9 month period ended 2006: nil).

Directors

The Directors who held office and resigned during the period were as follows:

Alan C. Lovell	Appointed 31 January 2007
Paul G. Daffern	Appointed 31 January 2007, resigned 28 September 2007
Elizabeth J. Aikman	Appointed 28 September 2007
Michael A. Lowe	Resigned 31 January 2007
Jeremy P. Malkinson	Resigned 31 January 2007
Bruno G. Prior	Resigned 31 January 2007
Peter H. Prior	Resigned 31 January 2007

Directors' report *(continued)*

Political and charitable contributions

The Company made no political contributions during either financial period. Donations to UK charities amounted to £Nil (9 month period ended 31 December 2006: £1,650).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the 2008 annual general meeting of the Company.

By order of the board

E. J. Aikman
Director

500 Pavilion Drive, Northampton Business Park,
Northampton, NN4 7YJ
25 September 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Infinis (Re-Gen) Limited

We have audited the financial statements of Infinis (Re-Gen) Limited for the period ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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.

Independent auditors' report to the members of Infinis (Re-Gen) Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the period 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
~~[date]~~
25 September 2008.

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Profit and loss account

for the 15 month period ended 31 March 2008

	Note	15 month period ended 31 March 2008 £000	9 month period ended 31 December 2006 £000
Turnover	*1*	31,651	16,312
Cost of sales		(18,329)	(11,129)
Gross profit		**13,322**	**5,183**
Administrative expenses	*2-4*	(3,626)	(1,505)
Operating profit		**9,696**	**3,678**
(Loss)/profit on sale of fixed assets		(53)	115
Interest receivable and similar income	*5*	163	7
Interest payable and similar charges	*6*	-	(66)
Profit on ordinary activities before taxation	*2-4*	**9,806**	**3,734**
Tax on profit on ordinary activities	*7*	(2,490)	(1,027)
Profit for the financial period		**7,316**	**2,707**

There are no other recognised gains and losses for the periods other than the profit for the periods shown above.

Balance sheet
at 31 March 2008

	Note	31 March 2008		31 December 2006	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	*8*		17,801		15,481
Current assets					
Stocks	*9*	268		425	
Debtors	*10*	8,263		5,890	
Cash at bank and in hand		11,994		1,553	
		20,525		7,868	
Creditors: amounts falling due within one year	*11*	(24,172)		(5,518)	
Net current (liabilities)/assets			(3,647)		2,350
Total assets less current liabilities			14,154		17,831
Creditors: amounts falling due after more than one year	*12*		(757)		(923)
Provisions for liabilities and charges	*13*		(2,945)		(3,772)
Net assets			10,452		13,136
Capital and reserves					
Called up share capital	*14*		12		12
Share premium account	*15*		1,303		1,303
Profit and loss account	*15*		9,137		11,821
Shareholders' funds			10,452		13,136

These financial statements were approved by the board of Directors on 25 September 2008 and were signed on its behalf by:

E. J. Aikman

Director

Reconciliation of movements in shareholders' funds

for the 15 month period ended 31 March 2008

	15 month period ended 31 March 2008	9 month period ended 31 December 2006
	£000	£000
Profit for the financial period	7,316	2,707
Reserves movement: Dividend	(10,000)	-
Net addition to shareholders' funds	(2,684)	2,707
Opening shareholders' funds	13,136	10,429
Closing shareholders' funds	10,452	13,136

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

At the period end, as the Company was a wholly owned subsidiary of the group headed by Infinis Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Infinis Limited can be obtained from the details given in note 16.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Land and buildings	-	twenty five to fifty years, straight line
Plant and machinery	-	life of lease or expected life of each asset
Motor vehicles	-	five years, straight line
Office equipment	-	three to twenty years, straight line

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Trade and other receivables

Trade and other receivables, excluding derivative assets, are carried at cost less impairment losses. Trade receivables which generally have 30-90 day terms are recognised and carried at original invoice amount less an allowance for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes *(continued)*
forming part of the financial statements for the 15 month period ending 31 March 2008

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of value added tax and trade discounts.

Revenue receivable in respect of electricity generated which had not been invoiced at the end of the accounting period has been accrued and included in accrued income.

2 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after (charging)/(crediting)	**15 month period ended 31 March 2008 £000**	**9 month period ended 31 December 2006 £000**
Depreciation and other amounts written off tangible fixed assets:		
Owned	**1,958**	**1,600**
Leased	**140**	**324**
(Loss)/profit on sale of fixed assets	**53**	**(115)**
(Loss) on foreign exchange	**10**	**11**

Notes *(continued)*

2 *Notes to the profit and loss account (continued)*

Auditors' Remuneration:	15 month period ended 31 March 2008 £000	9 month period ended 31 December 2006 £000
Audit of these financial statements	8	24
Amounts receivable by the auditors and their associates in respect of taxation	-	5

The above fees were borne by another group Company, Infinis Limited.

3 Remuneration of Directors

	15 month period ended 31 March 2008 £000	9 month period ended 31 December 2006 £000
Directors' emoluments	-	80

All Directors' emoluments in the current period were paid by Infinis Limited, the parent entity.

4 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period, analysed by category, was as follows:

	Number of employees	
	15 month period ended 31 March 2008	9 month period ended 31 December 2006
Management, Sales and Administration	-	6
Operations	-	34
	-	40

The aggregate payroll costs of these persons were as follows:

	31 March 2008 £000	31 December 2006 £000
Wages and salaries	-	981
Social security costs	-	107
Other pension costs	-	189
	-	1,277

On 31 July 2007 all employees of Infinis (Re-Gen) Limited were transferred to Infinis Limited, another group entity. There have been no payroll costs during the period. Costs associated with wages and salaries have been recharged from Infinis Limited by way of a management charge.

Notes *(continued)*

forming part of the financial statements for the fifteen month period ended 31 March 2008

5 Interest receivable and similar income

	15 month period ended 31 March 2008 £000	9 month period ended 31 December 2006 £000
Interest receivable	163	7

6 Interest payable and similar charges

	15 month period ended 31 March 2008 £000	9 month period ended 31 December 2006 £000
On bank loans and overdrafts	-	1
Finance charges in respect of finance leases and hire purchase contracts	-	7
Finance charges in respect of finance leases and hire purchase contracts recharged from group undertakings	-	58
	-	66

Notes *(continued)*

7 Taxation

Analysis of charge in period

	15 month period ended 31 March 2008		9 month period ended 31 December 2006	
	£000	£000	£000	£000
UK corporation tax				
Current tax on income for the period	2,452		1,194	
Adjustments in respect of prior periods	(20)		(23)	
Total current tax		2,432		1,171
Deferred tax (see note 13)				
Origination/reversal of timing differences	311		(55)	
Effect of increased/decreased tax rate	(153)		-	
Adjustment in respect of previous years	(100)		(89)	
Total deferred tax		58		(144)
Tax on profit on ordinary activities		2,490		1,027

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (Dec *2006: higher)* than the standard rate of corporation tax in the UK (30%, Dec *2006: 30 %*). The differences are explained below.

	15 month period ended 31 Mar. 2008 £000	9 month period ended 31 Dec. 2006 £000
Current tax reconciliation		
Profit on ordinary activities before tax	9,806	3,734
Current tax at 30 % *(Dec. 2006: 30 %)*	2,942	1,120
Effects of:		
Expenses not deductible for tax purposes	55	19
Capital allowances for period in excess of depreciation	(435)	55
Short term timing differences	124	-
Group losses not paid for	(403)	-
Industrial building allowance	169	-
Adjustments to tax charge in respect of previous periods	(20)	(23)
Total current tax charge (see above)	2,432	1,171

Notes *(continued)*
forming part of the financial statements for the fifteen month period ending 31 March 2008

8 Tangible fixed assets

	Freehold land	Leasehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Under construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost							
At 31 December 2006	36	406	30,323	538	129	-	31,432
Additions	-	-	3,552	29	-	1,031	4,612
Disposals	-	-	-	(401)	-	-	(401)
At 31 March 2008	**36**	**406**	**33,875**	**166**	**129**	**1,031**	**35,643**
Depreciation							
At 31 December 2006	36	206	15,317	263	129	-	15,951
Charge for period	-	17	2,031	50	-	-	2,098
On disposals	-	-	-	(207)	-	-	(207)
At 31 March 2008	36	223	17,348	106	129	-	17,842
Net book value							
At 31 March 2008	**-**	**183**	**16,527**	**60**	**-**	**1,031**	**17,801**
At 31 December 2006	**-**	**200**	**15,006**	**275**	**-**	**-**	**15,481**

Included in the total net book value of plant and machinery is £913,467 *(31 Dec 2006: £983,733)* in respect of assets held under finance leases. Depreciation for the period on these assets was £140,532 *(31 Dec 2006: £323,669)*.

Notes *(continued)*

forming part of the financial statements for the fifteen month period ending 31 March 2008

9 Stocks

	At 31 March 2008 £000	At 31 December 2006 £000
Raw materials and consumables	268	425
	268	425

10 Debtors

	At 31 March 2008 £000	At 31 December 2006 £000
Trade debtors	1,104	1,213
Amounts owed by group undertakings	-	734
Other debtors	-	331
Prepayments and accrued income	6,845	3,612
Corporation tax debtor	314	-
	8,263	5,890

11 Creditors: amounts falling due within one year

	At 31 March 2008 £000	At 31 December 2006 £000
Obligations under finance leases and hire purchase contracts (see note 12)	134	307
Trade creditors	-	1,037
Taxation and social security	-	1,250
Accruals and deferred income	4,207	2,924
Amounts owed to group undertakings	19,831	-
	24,172	5,518

Notes *(continued)*

forming part of the financial statements for the fifteen month period ending 31 March 2008

12 Creditors: amounts falling due after more than one year

	At 31 March 2008 £000	At 31 December 2006 £000
Obligations under finance leases and hire purchase contracts	757	923
	757	923

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	At 31 March 2008 £000	At 31 December 2006 £000
Within one year	134	307
In the second to fifth years	634	568
Over five years	123	355
	891	1,230

Notes *(continued)*

forming part of the financial statements for the fifteen month period ending 31 March 2008

13 Provisions for liabilities and charges

	Deferred taxation	Restoration and aftercare provision	Total
	£000	£000	£000
At 31 December 2006	2,083	1,689	3,772
Charge to the profit and loss for the period	58	-	58
Utilised during the period	-	(885)	(885)
At 31 March 2008	**2,141**	**804**	**2,945**

The restoration and aftercare provision relates to the expected costs of capping and making safe a landfill site and for the after care costs of the site.

The elements of deferred taxation are as follows:

	At 31 March 2008	At 31 December 2006
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	2,370	2,086
Short Term timing differences	(229)	(3)
Deferred tax provision	2,141	2,083
Deferred tax asset	(229)	(3)
Deferred tax liability	2,370	2,086
Net deferred tax liability	2,141	2,083

Notes *(continued)*

forming part of the financial statements for the fifteen month period ending 31 March 2008

14 Called up share capital

	At 31 March 2008 £	At 31 December 2006 £
Authorised		
1,500,000 ordinary shares of £1 each	**1,500,000**	**1,500,000**
Allotted, called up and fully paid		
11,750 ordinary shares of £1 each	**11,750**	**11,750**
Shares classified in shareholders' funds	**11,750**	**11,750**

15 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At 31 December 2006	1,303	11,821
Profit for the financial period	-	7,316
Dividends on shares identified in shareholders' funds	-	(10,000)
At 31 March 2008	**1,303**	**9,137**

16 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

There were no transactions between the Company and TFCP Holdings Limited during the period.

The head of the smallest group for which consolidated financial statements are prepared, and of which the Company is a member, is Infinis Limited. The head of the largest group for which consolidated financial statements are prepared, and of which the Company is a member, is Infinis Holdings. The consolidated financial statements of both groups are available to the public and may be obtained from 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.