

**BIOGENERATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 MARCH 2011**

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**Company Number: 02970302**

## **BIOGENERATION LIMITED**

### **DIRECTORS AND ADVISORS**

#### **Directors**

J Casey  
C Parry  
Biffa Corporate Services Limited

#### **Secretaries and registered office**

H Ellson and K Woodward  
c/o Biffa Waste Services Limited  
Coronation Road  
Cressex  
High Wycombe  
Bucks HP12 3TZ

#### **Chartered Accountants and Statutory Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

#### **Bankers**

HSBC Bank plc  
12 Victoria Street  
Nottingham  
NG1 2FF

**BIOGENERATION LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2011.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 417 of the Companies Act 2006.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is the development, construction and subsequent operation of electricity generation projects.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

During the year the Company's four generating stations at four landfill gas sites owned by Biffa Waste Services Limited, a subsidiary of Biffa Group Limited, were operated successfully. The sites are:

- Himley Wood, Dudley, West Midlands.
- Howden Clough, Morley, Leeds
- Redhill, Surrey.
- Welford, Portley Ford, Welford, Northampton.

The Company will continue to operate its four generating stations until such time as reduced landfill gas volumes make this uneconomical to do – this is not expected to be the case for a number of years.

**PRINCIPAL RISKS AND UNCERTAINTIES**

During the period, senior management reviewed the Risk Register and confirmed their view that the more significant risks, in addition to those around the macro and micro economic environment issues relevant to the delivery of Biffa's strategy, are those set out below

- The technologies employed fail to deliver expected performance or end product for the markets in which Biffa operates
- Biffa's service offerings fail to react to legislative and market dynamics

In mitigation of these risks, the Group has made significant investment in new technologies and regularly reviews its service offerings to ensure they are fully compliant and meeting the needs of customers.

The Company's activities also expose it to a number of financial risks including credit risk and liquidity risk

## **BIOGENERATION LIMITED**

### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

### **REVIEW OF BUSINESS AND PRINCIPAL RISKS (CONTINUED)**

#### *Credit risk*

The Company's principal financial assets are intercompany receivables. The directors assess the balances for recoverability based on an assessment of the individual counterparties and consider that the carrying value of the assets represents their recoverable amount.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses primarily funding from other group companies.

### **GOING CONCERN**

The Company is managed as part of the Biffa Group. Biffa Group Limited has committed financing facilities which the directors consider sufficient to service its ongoing working capital and capital investment requirements.

After considering the above and making enquiries, the directors have a reasonable expectation that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **KEY PERFORMANCE INDICATORS**

Key Performance Indicators in respect of the Biffa group of companies are shown in the Financial Statements of Biffa Group Limited for the period to 1 April 2011, which does not form part of the report.

### **FINANCIAL RESULTS AND DIVIDENDS**

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Profit before taxation	729.7	596.2
Taxation	(204.8)	(157.8)
Profit for the financial year	524.9	438.4

The directors do not propose the payment of a final dividend (2010: £nil). No first interim dividend (2010: £nil) was paid during the year, and no second interim dividend (2010: £nil) was paid during the year.

**BIOGENERATION LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**DIRECTORS**

The directors of the Company are shown on page 1.

The following changes took place to the board of directors during the year ended 31 March 2011 and up until the date of this report

Biffa Corporate Services Limited      (appointed 4 August 2011)

**DIRECTORS' INDEMNITIES**

All of the directors have been granted indemnities by Biffa Group Limited as at 31 March 2011 to the maximum extent permitted by sections 309A and 309B of the Companies Act 2006 (including the right to recover costs on an "as incurred" basis), save that such indemnities will not apply to the extent that any recovery is made under any policy of insurance or if the relevant director or directors is or are in breach of obligations in relation to the conduct of claims or if the Company determines that the liability arises out of the Director's fraud or wilful default

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are required to prepare the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

**BIOGENERATION LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**AUDITOR**

Deloitte LLP were appointed as auditor during the year, pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP, Chartered Accountants, will therefore continue in office.

Each of the persons who is a director at the date of approval of this report confirm that

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information

This confirmation is given and should be interpreted in accordance with the requirements of s 418 of the Companies Act 2006

Approved by the board of directors  
and signed on its behalf by

**K.W**

K Woodward  
Authorised Representative, Biffa Corporate Services Ltd  
Director

5 August 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**BIOGENERATION LIMITED**

We have audited the financial statements of Biogeneration Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are 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 and express an opinion on 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 March 2011 and of its profit for the period 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**BIOGENERATION LIMITED (CONTINUED)**

**Opinion on other matters prescribed by the Companies Act 2006**

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

**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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Ross Howard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

5 August 2011



**BIOGENERATION LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Turnover	1	1,638.4	1,816.2
Cost of sales		(255.2)	(296.0)
Gross profit		1383.2	1,520.2
Administrative expenses		(659.7)	(936.5)
Operating profit		723.5	583.7
Interest receivable and similar income	5	6.2	12.5
Profit before taxation	2	729.7	596.2
Taxation	4	(204.8)	(157.8)
Profit for the financial year	11,12	524.9	438.4

The profit for the financial year is derived wholly from continuing operations

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

**BIOGENERATION LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2011**

	Notes	As at 31 March 2011 £000	As at 31 March 2010 £000
<b>FIXED ASSETS</b>			
Tangible assets	6	51.3	205.3
<b>CURRENT ASSETS</b>			
Debtors	7	302.7	360.4
Cash at bank and in hand	8	2,190.1	1,387.3
		2,492.8	1,747.7
<b>CREDITORS</b>			
Amounts falling due within one year	9	(779.8)	(680.9)
<b>NET CURRENT ASSETS</b>		1,713.0	1,066.8
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,764.3	1,272.1
<b>PROVISIONS FOR LIABILITIES</b>	7	-	(32.7)
<b>NET ASSETS</b>		1,764.3	1,239.4
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1.0	1.0
Profit and loss account	11	1,763.3	1,238.4
<b>SHAREHOLDER'S FUNDS</b>	12	1,764.3	1,239.4

The financial statements of Biogeneration Limited, register number 02970302, on pages 8 to 17 were approved and authorised for issue by the board of directors on 5 August 2011 and signed on its behalf by

K.W.M

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K Woodward  
Authorised Representative, Biffa Corporate Services Ltd  
Director

## **BIOGENERATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

## **1 ACCOUNTING POLICIES**

### **Basis of accounting**

As detailed in the Directors' Report, these financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies have been applied consistently in the current and prior year. The principal accounting policies are set out below.

### **Going concern**

As detailed in the Directors' Report, the directors have a reasonable expectation that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

### **Turnover**

Turnover represents income receivable from the generation of electricity, excluding Value Added Tax, in the ordinary course of business and is recognised when goods are provided

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. The charge for depreciation is calculated to write off assets over the period of the associated NFPA agreements which run for fifteen years. Assets in the course of construction are not depreciated

### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Provision is made in full for deferred tax liabilities that arise from timing differences where transactions or events that result in an obligation to pay more tax in the future have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that they will be recoverable. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted

## **BIOGENERATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2011**

#### **1 ACCOUNTING POLICIES (CONTINUED)**

##### **Cashflow statement and related party disclosures**

The Company is a wholly-owned subsidiary of Biffa Group Limited and its results are included in the consolidated financial statements of Biffa Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Biffa Group Limited group of companies.

#### **2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Profit on ordinary activities before taxation is stated after charging.		
Depreciation of tangible fixed assets	154.0	388.4

Statutory audit fees of £nil (2010: £nil) were borne by another Group company. There were no non-audit fees payable (2010: £nil).

#### **3 DIRECTORS AND EMPLOYEES**

The Company has no employees.

The directors received no remuneration or fees in respect of their services to the Company for the year ended 31 March 2011 (2010: £nil).

**BIOGENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Current tax:		
Group relief at 28% (2010: 28%)		
Current year	247.2	201.5
Corporation tax at 28% (2010: 28%)		
Current year	-	67.4
Prior year	-	(8.5)
Total current tax	247.2	260.4
Deferred tax:		
Origination and reversal of timing differences		
Current year	(43.1)	(102.6)
Effect of change in tax rate	0.7	-
Total deferred tax	(42.4)	(102.6)
Total tax charge	204.8	157.8

**BIOGENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax of 28% (2009: 28%) to the profit before tax are as follows:

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Profit on ordinary activities before tax	729.7	596.2
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010: 28%)	204.3	166.9
Effects of:		
Depreciation in excess of capital allowances	43.1	102.6
Adjustments to tax charge in respect of prior periods	-	(8.5)
Non taxable income	(0.2)	(0.6)
Total current tax	247.2	260.4

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period. Accordingly, current tax has been provided for at a rate of 28% and deferred tax has been provided for at a rate of 26% in these financial statements. Further reductions to the main rate of corporation tax of 1% per annum to 23% by 1 April 2014 have been announced by the government but have not yet been substantively enacted, so their effect has not been reflected in these financial statements.

**BIOGENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**5 INTEREST RECEIVABLE**

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Bank interest	1.4	1.9
Other interest	4.8	10.6
	<u>6.2</u>	<u>12.5</u>

Other interest relates to interest on tax refunds.

**6 TANGIBLE FIXED ASSETS**

Plant and machinery	£000
Cost	
At 31 March 2011 and at 31 March 2010	<u>3,842.8</u>
Accumulated depreciation:	
At 1 April 2010	3,637.5
Charge for the year	154.0
At 31 March 2011	<u>3,791.5</u>
Net book amount:	
At 31 March 2011	<u>51.3</u>
At 31 March 2010	<u>205.3</u>

**BIOGENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**7 DEBTORS**

	As at 31 March 2011 £000	As at 31 March 2010 £000
Amounts falling due within one year		
Trade debtors	146.8	173.0
Prepayments and accrued income	146.2	187.4
Deferred tax	9.7	-
	<u>302.7</u>	<u>360.4</u>

Amounts due from group undertakings are unsecured, interest free and are repayable on demand.

	£000
Deferred taxation	
At 1 April 2010	(32.7)
Credit to profit and loss account	42.4
At 31 March 2011	<u>9.7</u>

Deferred tax has been calculated at the corporation tax rate of 26% (2010 28%) and has been provided in full in respect of accelerated capital allowances.

**8 CASH AT BANK AND IN HAND**

	As at 31 March 2011 £000	As at 31 March 2010 £000
Current account	<u>2,190.1</u>	<u>1,387.3</u>



**BIOGENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2011**

**9 CREDITORS**

	As at 31 March 2011 £000	As at 31 March 2010 £000
Amounts falling due within one year:		
Trade creditors	25 6	83 6
Amounts due to group undertakings	404 3	236.9
Other taxation and social security	50 6	60 0
Corporation tax	-	67 4
Accruals and deferred income	52.1	31.5
Group relief	247.2	201.5
	<u>779 8</u>	<u>680.9</u>

Amounts due to group undertakings are unsecured, interest free and are repayable on demand

**10 CALLED UP SHARE CAPITAL**

	As at 31 March 2011 £000	As at 31 March 2010 £000
Authorised allotted, called up and fully paid		
500 "A" Ordinary shares of £1 each	0 5	0 5
500 "B" Ordinary shares of £1 each	0.5	0 5
	<u>1.0</u>	<u>1 0</u>

Both classes of shares have equal voting rights, entitlement to dividends and claim to any surplus on a winding up of the Company.

**11 PROFIT AND LOSS ACCOUNT**

	£000
At 1 April 2010	1,238.4
Profit for the year	524.9
At 31 March 2011	<u>1,763.3</u>

**BIOGENERATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Profit for the year	524.9	438.4
Net increase in shareholder's funds	524.9	438.4
Shareholder's funds at beginning of year	1,239.4	801.0
Shareholder's funds at end of year	1,764.3	1,239.4

**13 PARENT UNDERTAKINGS**

The immediate parent undertaking is Biffa Waste Services Limited.

The Company's ultimate parent undertaking is WasteInvestments LLP. The parent company of the smallest group to consolidate these financial statements is Biffa Group Limited. The parent company of the largest group to consolidate these financial statements is WasteInvestments LLP. Following enactment of a scheme of arrangement on 7 April 2008, the Company's joint controlling parties are considered to be Montagu Private Equity and Global Infrastructure Partners. Copies of Biffa Group Limited and WasteInvestments LLP consolidated financial statements can be obtained from the Company Secretary at Coronation Road, Cressex, High Wycombe, Bucks, HP12 3TZ.