

BIOGENERATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 MARCH 2012

Company Number: 02970302

THURSDAY



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31/01/2013
COMPANIES HOUSE

BIOGENERATION LIMITED

DIRECTORS AND ADVISORS

Directors

J Casey
C Parry
I Wakelin
Biffa Corporate Services Limited

Secretaries and registered office

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 30 MARCH 2012

The directors present their report and the audited financial statements of the Company for the year ended 30 March 2012

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 was previously the development, construction and subsequent operation of electricity generation projects. Following the transfer of the Company's trade and assets to Biffa Waste Services Limited, a subsidiary of Biffa Group Limited ('BGL'), on 31 March 2011, the Company did not trade during the year.

GOING CONCERN

Over the summer of 2012 it became clear that, despite the full year financial results for the period ended 30 March 2012, and available cash flows, as a consequence of the loss of waste volumes and significantly reduced recycled commodity prices, particularly in the Industrial and Commercial and Recycling and Processing businesses, the Biffa Group was likely to breach certain of its financial covenants. In addition, through meetings with the Biffa Group's lender community it became clear to the Board that the Biffa Group's current level of debt was unsustainable and its financial position was not sufficiently robust to provide a sound basis for its business going forward.

Consequently, a capital restructuring arrangement, supported by the Biffa Group's 5 year business plan, was implemented on the 28th January 2013 by way of a court-approved scheme of arrangement for Biffa Group Limited pursuant to Part 26 of the Companies Act 2006. Under the Scheme, the lenders' entitlement to debts due from Biffa Group Limited and its subsidiaries were released and the Biffa Group was transferred into the ownership of new holding companies substantially owned by the Senior Creditors under a new capital debt structure.

Following the transfer of the Company's trade and assets to Biffa Waste Services Limited, a subsidiary of Biffa Group Limited, the Company did not trade during the year. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's net assets to net realisable value. The financial statements do not include any provision for the future costs of termination of the business of the Company except to the extent that those costs were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

KEY PERFORMANCE INDICATORS

As the company has ceased actively trading the directors no longer monitor KPIs for the company.

BIOGENERATION LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2012

FINANCIAL RESULTS AND DIVIDENDS

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Profit before taxation	3 6	729 7
Taxation	(0 9)	(204 8)
Profit for the financial year	2 7	524 9

The directors do not propose the payment of a final dividend (2011 £nil) No interim dividend (2011 £nil) was paid during the year

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 30 March 2012 and up until the date of this report

Biffa Corporate Services Limited	(appointed 4 August 2011)
I Wakelin	(appointed 1 February 2012)

DIRECTORS' INDEMNITIES

All of the directors have been granted indemnities by Biffa Group Limited as at 30 March 2012 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 is or directors 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)

BIOGENERATION LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

DIRECTORS' RESPONSIBILITIES STATEMENT (CONTINUED)

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 judgements 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 to 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 30 MARCH 2012

AUDITOR

Deloitte LLP were reappointed 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 is 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 auditor is 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.M

K Woodward
Authorised Representative, Biffa Corporate Services Ltd
Director

30 January 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BIOGENERATION LIMITED

We have audited the financial statements of Biogeneration Limited for the year ended 30 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 30 March 2012 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 entitled to take advantage of the small companies exemption in preparing the Directors' Report

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern



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

30 January 2013

BIOGENERATION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 MARCH 2012

	Notes	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Turnover	1	-	1,638 4
Cost of sales		-	(255 2)
Gross profit		-	1,383 2
Administrative expenses		-	(659 7)
Operating profit		-	723 5
Interest receivable and similar income	5	3 6	6 2
Profit before taxation	2	3 6	729 7
Taxation	4	(0 9)	(204 8)
Profit for the financial year	11,12	2 7	524 9

The profit for the current and preceding financial years is derived wholly from discontinued operations

The Company has no recognised gains or 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 30 MARCH 2012

	Notes	As at 30 March 2012 £000	As at 1 April 2011 £000
FIXED ASSETS			
Tangible assets	7	-	51 3
CURRENT ASSETS			
Debtors	8	1,767 9	302 7
Cash at bank and in hand	9	-	2,190 1
		1,767 9	2,492 8
CREDITORS			
Amounts falling due within one year	10	(0 9)	(779 8)
NET CURRENT ASSETS		1,767 0	1,713 0
NET ASSETS		1,767 0	1,764 3
CAPITAL AND RESERVES			
Called up share capital	11	1 0	1 0
Profit and loss account	12	1,766 0	1,763 3
SHAREHOLDER'S FUNDS	13	1,767 0	1,764 3

The financial statements of Biogeneration Limited, register number 02970302, on pages 8 to 19 were approved and authorised for issue by the board of directors on 30 January 2013 and signed on its behalf by

K.W.M

K Woodward
Authorised Representative, Biffa Corporate Services Ltd
Director

BIOGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2012

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

Over the summer of 2012 it became clear that, despite the full year financial results for the period ended 30 March 2012, and available cash flows, as a consequence of the loss of waste volumes and significantly reduced recycled commodity prices, particularly in the Industrial and Commercial and Recycling and Processing businesses, the Biffa Group was likely to breach certain of its financial covenants. In addition, through meetings with the Biffa Group's lender community it became clear to the Board that the Biffa Group's current level of debt was unsustainable and its financial position was not sufficiently robust to provide a sound basis for its business going forward.

Consequently, a capital restructuring arrangement, supported by the Biffa Group's 5 year business plan, was implemented on the 28th January 2013 by way of a court-approved scheme of arrangement for Biffa Group Limited pursuant to Part 26 of the Companies Act 2006. Under the Scheme, the lenders' entitlement to debts due from Biffa Group Limited and its subsidiaries were released and the Biffa Group was transferred into the ownership of new holding companies substantially owned by the Senior Creditors under a new capital debt structure.

Following the transfer of the Company's trade and assets to Biffa Waste Services Limited, a subsidiary of Biffa Group Limited, the Company did not trade during the year. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's net assets to net realisable value. The financial statements do not include any provision for the future costs of termination of the business of the Company except to the extent that those costs were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

Turnover

Turnover represented income receivable from the generation of electricity, excluding Value Added Tax, in the ordinary course of business and was recognised when goods were provided.

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

1 ACCOUNTING POLICIES (CONTINUED)

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.

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.

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	-	154.0
	<u> </u>	<u> </u>

Statutory audit fees of £1,000 (2011 £nil) were borne by another Group company
There were no non-audit fees payable (2011 £nil)

3 DIRECTORS AND EMPLOYEES

The Company has no employees (2011 none)

The directors received no remuneration or fees in respect of their services to the Company
for the year ended 31 March 2012 (2011 £nil)

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Current tax		
Group relief at 26% (2011 28%)		
Current year	0 9	247 2
Total current tax	0 9	247 2
Deferred tax		
Origination and reversal of timing differences		
Current year	-	(43 1)
Effect of change in tax rate	-	0 7
Total deferred tax	-	(42 4)
Total tax charge	0 9	204 8

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

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 26% (2011 28%) to the profit before tax are as follows

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Profit on ordinary activities before tax	3 6	729 7
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%)	0 9	204 3
Effects of		
Depreciation in excess of capital allowances	-	43 1
Non taxable income	-	(0 2)
Total current tax	0 9	247 2

Legislation reducing the main rate of corporation tax from 26% to 24% with effect from 1 April 2012 was substantively enacted during the period. Accordingly, current tax has been provided for at a rate of 26% and deferred tax has been provided for at a rate of 24% in these financial statements.

A reduction to the main rate of corporation tax of 1% to 23% with effect from 1 April 2013 has been substantively enacted after the end of the period. Further reductions to the main rate of corporation tax to 22%, with effect from 1 April 2013 and 21% with effect from 1 April 2014 have also been announced by government but have not yet been substantively enacted. The effect of these two rate reductions have not been reflected in these financial statements.

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

5 INTEREST RECEIVABLE

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Bank interest	3 6	1 4
Other interest	-	4 8
	<u>3 6</u>	<u>6 2</u>

6 TANGIBLE FIXED ASSETS

Plant and machinery	£000
Cost	
At 1 April 2011	3,842 8
Transferred to group undertaking (i)	(3,842 8)
	<u>-</u>
At 31 March 2012	
Accumulated depreciation	
At 1 April 2011	3,791 5
On transfer to group undertaking (i)	(3,791 5)
	<u>-</u>
At 31 March 2012	
Net book amount	
At 31 March 2012	<u>-</u>
At 1 April 2011	<u>51 3</u>

- (i) During the year the trade and assets of the business were transferred to Biffa Waste Services Limited

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

7 DEBTORS

	As at 30 March 2012 £000	As at 1 April 2011 £000
Amounts falling due within one year		
Amounts owed by group undertakings	1,764 3	-
Trade debtors	-	146 8
Prepayments and accrued income	3 6	146 2
Deferred tax	-	9 7
	<u>1,767 9</u>	<u>302 7</u>

Amounts due from group undertakings are unsecured, interest free and are repayable on demand. This balance is not affected by the scheme of arrangement detailed in note 14.

	£000
Deferred taxation	
At 1 April 2011	9 7
Charge to profit and loss account	(9 7)
	<u>-</u>
At 31 March 2012	<u>-</u>

Deferred tax was calculated at the corporation tax rate of 26% and was provided in full in respect of accelerated capital allowances.

8 CASH AT BANK AND IN HAND

	As at 30 March 2012 £000	As at 1 April 2011 £000
Current account	<u>-</u>	<u>2,190 1</u>

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

9 CREDITORS

	As at 30 March 2012 £000	As at 1 April 2011 £000
Amounts falling due within one year		
Trade creditors	-	25 6
Amounts due to group undertakings	-	404 3
Other taxation and social security	-	50 6
Accruals and deferred income	-	52 1
Group relief	0 9	247 2
	<u>0 9</u>	<u>779 8</u>

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

10 CALLED UP SHARE CAPITAL

	As at 30 March 2012 £000	As at 1 April 2011 £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 2011	1,763 3
Profit for the year	2 7
At 30 March 2012	<u>1,766 0</u>

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Year to 30 March 2012 £000	Year to 1 April 2011 £000
Profit for the year	2 7	524 9
Net increase in shareholder's funds	2 7	524 9
Shareholder's funds at beginning of year	1,764 3	1,239 4
Shareholder's funds at end of year	1,767 0	1,764 3

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.

14 POST BALANCE SHEET EVENTS

As outlined in the Directors' Report, since the year end the Directors have been exploring various ways to secure the financial position and future of the Group's businesses and undertakings. In December 2012 the Board concluded that a restructuring, involving a Court-approved scheme of arrangement for BGL pursuant to Part 26 of the Companies Act 2006, was in the best interests of those with an economic interest in Biffa Group Limited, including the Company's secured creditors and the Group's employees, suppliers and customers.

The scheme of arrangement implemented a restructuring of the BGL Group whereby the Group's businesses and undertakings transferred to the new ownership of a number of its senior lenders. The restructuring enabled the restructured Biffa group to enjoy a stronger capital foundation by having fewer finance liabilities (as the group's total external debt

BIOGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2012

14 POST BALANCE SHEET EVENTS (CONTINUED)

decreased from £1.2 billion as at the date of the scheme of arrangement to £520 million) and new financing arrangements on improved terms, including the provision of new money to make investments in the business going forward. The restructured debt will be held by the Company's new parent companies and will be secured by BGL through loan notes.

As part of the restructuring, BGL's immediate parent, WasteShareholderco2, released BGL and its subsidiaries from all of the intercompany debt owed by BGL and its subsidiaries to Wasteshareholderco2 and subscribed for additional ordinary share capital in BGL in consideration for the payment of £5,875 million in cash. WasteShareholderco2 Ltd subsequently transferred the entire issued share capital of BGL to WasteHoldco3 Ltd for a nominal amount.

The scheme of arrangement was approved by the Court on 28 January 2013 and completed on 30 January 2013.