

**Biofuels Corporation Trustees Limited**

**Report and Financial Statements**

**Year ended**

**31 March 2007**

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**BDO Stoy Hayward**  
Chartered Accountants

**Biofuels Corporation Trustees Limited**

**Report and financial statements for the year ended 31 March 2007**

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**Directors**

SGC Sutcliffe  
PJ Elliott

**Secretary and registered office**

PJ Elliott, 16 Earls Nook, Belasis Hall Technology Park, Billingham, Teesside TS23 4EF

**Company number**

4873894

**Auditors**

BDO Stoy Hayward LLP, 1 City Square, Leeds LS1 2DP

## **Biofuels Corporation Trustees Limited**

### **Report of the directors for the year ended 31 March 2007**

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The directors present their report together with the audited financial statements for the year ended 31 March 2007

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit and loss for the year

#### **Principal activities, review of business and future developments**

The principal activity of the company is to act as a trustee of the Biofuels Corporation plc Employee Benefit Trust

#### **Going Concern**

Subsequent to the restructuring of Biofuels Corporation plc detailed in note 5 and the resultant disbanding of the Employee Benefit scheme, Biofuels Corporation Trustees Limited existence is no longer required. As a result, the directors have decided that there will be a solvent winding up of Biofuels Corporation Trustees Limited.

For these reasons, the directors have prepared the financial statements on a liquidation basis.

#### **Directors**

The directors of the company who served during the year were

CMJ Spottiswoode  
G Brady

Since the year end, SGC Sutcliffe and PJ Elliott were appointed as directors of the Company on 21 August 2007 and CMJ Spottiswoode and G Brady resigned as directors of the Company on the same date.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 which 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 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.

## **Biofuels Corporation Trustees Limited**

### **Report of the directors for the year ended 31 March 2007**

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#### **Post balance sheet events**

##### ***Financing and Debt for Equity Swap***

On 1 June 2007, Biofuels Corporation Group confirmed that the on demand bank facilities have been rolled over to 31 December 2007. Barclays Bank plc also agreed to provide additional facilities of £7.0 million for working and fixed capital purposes on this date and to defer payment until 31 December 2007 of future interest payments due up to that date.

On 23 July 2007 shareholders of the Company's ultimate parent company, Biofuels Corporation plc (BCPLC), agreed the following restructuring proposals at an Extraordinary General Meeting (EGM):

- (i) the right for Broomco (4091) Limited to acquire new ordinary shares in Biofuels Corporation Trading Limited (BCTL). These shares were paid up by application of £40 million of the existing debt, such that Broomco (4091) Limited now owns 94 per cent of the enlarged ordinary share capital of BCTL with the remaining 6 per cent minority interest owned by Earls Nook Limited,
- (ii) the acquisition by BCTL of all the trading assets of BCPLC (other than its interest in BCTL and its interest in certain contracts) including the goodwill attaching to its name,
- (iii) the release by BCPLC of BCTL's obligation to repay the inter-company loan,
- (iv) a commitment by BCTL to pay BCPLC on an annual basis a sum to allow the latter to comply with certain ongoing legal and administrative obligations relating to its position as a private limited company,
- (v) funding to be paid by BCTL to BCPLC to pursue claims under the BCPLC's contract with Energea for the design, manufacture and installation of its biodiesel production facility, to the extent that BCTL requests such claims to be pursued. The proceeds of these claims (if any) will belong to BCTL.

In addition, at the EGM, the company name of Biofuels Corporation plc was changed to Earls Nook plc, which then delisted from AIM and changed status to a private limited company.

On 10 October 2007 Barclays Bank PLC agreed to provide additional facilities of £4 million to Biofuels Corporation Trading Limited thereby increasing total borrowing facilities to £70.175 million.

On 20 December 2007 Barclays Bank plc agreed to defer payment until 31 December 2008 of future interest payments due up to that date.

#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

As a result of the Company having adopted the Elective Regime on 24 January 2006, an Annual General Meeting is not being held and BDO Stoy Hayward LLP, having expressed their willingness to do so, will continue in office.

By order of the Board



PJ Elliott

Company Secretary

17 January 2008

## **Biofuels Corporation Trustees Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Biofuels Corporation Trustees Limited**

We have audited the financial statements of Biofuels Corporation Trustees Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet 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).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

**Biofuels Corporation Trustees Limited**

**Report of the independent auditors (*continued*)**

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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 2007 and of its profit 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



**BDO STOY HAYWARD LLP**

*Chartered Accountants and Registered Auditors*  
Leeds

17 January 2008

**Biofuels Corporation Trustees Limited**

**Profit and loss account for the year ended 31 March 2007**

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	Notes	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Other expenses		-	(50)
		<hr/>	<hr/>
<b>Operating profit / (loss)</b>		-	(50)
		<hr/>	<hr/>
Interest (payable)/receivable and similar income		-	(1)
		<hr/>	<hr/>
<b>Profit / (loss) on ordinary activities before and after taxation</b>		-	(51)
		<hr/>	<hr/>

All amounts relate to continuing activities

There were no recognised gains or losses other than the loss for the period

The notes on pages 7 to 8 form part of these financial statements

**Biofuels Corporation Trustees Limited**

**Balance sheet at 31 March 2007**

	Notes	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<b>Current assets</b>			
Other debtors		1	1
Cash at bank and in hand		-	-
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	2	1	1
Profit and loss account		-	-
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	3	1	1
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 17 January 2008



**SGC Sutcliffe**  
**Director**

The notes on pages 7 to 8 form part of these financial statements



## Biofuels Corporation Trustees Limited

### Notes forming part of the financial statements for the year ended 31 March 2007

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#### 1 Accounting policies

The following statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

##### Going Concern

Subsequent to the restructuring of Biofuels Corporation plc detailed in note 5 and the resultant disbanding of the Employee Benefit scheme, Biofuels Corporation Trustees Limited existence is no longer required. As a result, the directors have decided that there will be a solvent winding up of Biofuels Corporation Trustees Limited.

For these reasons, the directors have prepared the financial statements on a liquidation basis.

##### Related party disclosure

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the Group headed by Biofuels Corporation plc on the grounds that at least 90% of the voting rights in the Company are controlled within that Group and the Company is included in consolidated financial statements.

##### Cash flow statement

The Company has taken advantage of the exemption conferred by FRS1 (Revised) 'Cash Flow Statements', not to include a cash flow statement as part of its financial statements, as a wholly owned subsidiary of Biofuels Corporation plc.

#### 2 Share capital

	Authorised £	Allotted, called up and fully paid £
<i>Equity share capital</i>		
Ordinary shares of £1 each at 31 March 2006 and 31 March 2007	100	1

#### 3 Shareholders funds

	£
Profit for the year	-
Shareholder' funds brought forward	-
	<hr/>
Shareholders' funds carried forward	-
	<hr/>

The loss for the year reflects the transfer of funds to Biofuels Corporation plc Employee Benefit Trust in accordance with the terms of the original Trust Deed.

## **Biofuels Corporation Trustees Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2007**

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#### **4 Ultimate parent company**

At 31 March 2007, the Company's ultimate parent company was Biofuels Corporation plc, a company incorporated in England and Wales

Copies of the consolidated financial statements of Biofuels Corporation plc are available from the Company's registered office and published on the Group's website [www.biofuelscorp.com](http://www.biofuelscorp.com)

#### **5 Post Balance Sheet Events**

##### **Financing and Debt for Equity Swap**

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