

Registered No. 5998024

Vivergo Fuels Limited

Report and Financial Statements

31 December 2008

THURSDAY



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03/09/2009
COMPANIES HOUSE

Vivergo Fuels Limited

Registered No: 5998024

Directors

J P Platt
M I Carr
P New
D R Langlands

Secretary

Shoosmiths Secretaries Limited

Auditors

Ernst & Young LLP
PO Box 3
Lowgate House
Lowgate
Hull
HU1 1JJ

Bankers

Royal Bank of Scotland
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

Directors Report

The directors present their report and financial statements for the year ended 31 December 2008.

Results and dividends

The loss for the year, after taxation is £ 1,179,506 (2007: £406,637). The directors do not recommend a final ordinary dividend (2007: £nil).

Principal activity and review of the business

The company is a joint venture between BP, ABF and DuPont in the ratio (45%/45%/10%). The management and strategy of the company is set out in a joint venture agreement between the parties.

The company's principal activities during the year were the continued design and engineering work for a wheat to ethanol fermentation plant. On completion of the front end engineering design the project was sanctioned by the shareholders. Immediately following this detailed design and construction activities commenced. These activities will continue into 2009 with expected commencement of production scheduled for Q3 2010

The company's key financial and other performance indicators will be established as the company becomes operational. The key performance indicators at this stage are safety and budget (cost) and schedule performance. These have been developed in the current year as the project has progressed.

Principal Risks and Uncertainties

The principal risks of the business are safety during construction and supplier stability in an environment of global recession. In addition, any political, economic or commercial changes that impact the strategy of the joint venture.

Directors and their interests

The directors who served during the year and at 31 December 2008 are as specified on page 2.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On Behalf of the Board



Olivier Mace

22 July 2009

Statement of Directors Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

The directors are required to prepare financial statements for each financial year which present fairly the financial position of the company and the financial performance and cash flow 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that 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.

Independent auditors' report

to the members of Vivergo Fuels Limited

We have audited the financial statements of Vivergo Fuels Limited for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the cash flow statement, the statement of recognised income and expenses and the related notes 1 to 14. 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 auditors' 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 United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether 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.

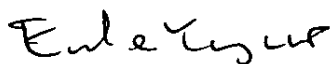
Independent auditors' report

to the members of Vivergo Fuels Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 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.



Ernst & Young LLP
Registered auditor
Hull

10 July 2009

Income Statement

for the year ended 31 December 2008

	Notes	2008 £	2007 £
Administrative expenses	3	(1,610,004)	(506,031)
Operating loss		(1,610,004)	(506,031)
Finance revenue	5	577,077	129,144
Finance costs		-	-
Loss on ordinary activities before taxation		(1,032,927)	(376,887)
Tax on loss on ordinary activities	6	(146,579)	(29,750)
Loss for the period	13	(1,179,506)	(406,637)

Statement of recognised income and expenses

There were no recognised gains or losses other than the loss attributable to shareholders of the company of £1,179,506 in the year ended 31 December 2008 and of £406,637 in the year ended 31 December 2007.

Balance sheet

at 31 December 2008

	Notes	2008 £	2007 £
Non-current assets			
Property, plant and equipment	7	43,891,263	2,987,508
Current assets			
Trade and other receivables	8	1,349,161	319,611
Cash and cash equivalents	9	7,619,197	5,962,018
Total assets		<u>52,859,621</u>	<u>9,269,137</u>
Current liabilities			
Trade and other payables	10	5,588,105	1,646,004
Income tax payable	6	146,579	29,750
Total liabilities		<u>5,734,684</u>	<u>1,675,754</u>
Net assets		<u>47,124,937</u>	<u>7,593,383</u>
Capital and reserves			
Share capital	12	48,711,080	8,000,020
Retained earnings	13	(1,586,143)	(406,637)
Total equity	13	<u>47,124,937</u>	<u>7,593,383</u>



M I Carr
Director

10/7/09
Date

Statement of cash flows

for the year ended 31 December 2008

	Notes	2008 £	2007 £
Operating activities			
Loss before tax		(1,032,927)	(376,887)
(Increase)/decrease in trade and other receivables	8	(1,029,550)	(319,610)
Increase/(decrease) in trade and other payables	10	3,942,919	1,646,004
Net cash flow from operating activities		<u>1,880,442</u>	<u>949,507</u>
Purchase of property, plant and equipment	7	(40,903,755)	(2,987,508)
Net cash flow from investing activities		<u>(40,903,755)</u>	<u>(2,987,508)</u>
Corporation Tax Paid	6	(29,750)	-
Financing activities			
Proceeds from share issues	12	40,711,060	8,000,019
Net cash flows from financing activities		<u>40,711,060</u>	<u>8,000,019</u>
Increase in cash and cash equivalents		<u>1,657,179</u>	<u>5,962,018</u>
Cash and cash equivalents at the beginning of the year		5,962,018	-
Cash and cash equivalents at the end of the year	9	<u><u>7,619,197</u></u>	<u><u>5,962,018</u></u>

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Accounting convention

These financial statements of Vivergo Fuels Limited (the company) for the year ended 31 December 2008 were authorised for issue to the board of directors on 10 July 2009 and the balance sheet was signed on the board's behalf by *MT Carr. and*

Vivergo Fuels Limited is a limited company incorporated and domiciled in England & Wales. The registered office of the company is Shoosmiths Secretaries Limited, Witan Gate House, 500-600 Witan Gate West, Milton Keynes, Buckinghamshire, MK9 1SH.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the company for the year ended 31 December 2008.

Basis of preparation

These statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as they apply to the financial statements of the company for the year ended 31 December 2008 and applied in accordance with the Companies Act 1985. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the International Accounting Standards Board (IASB). However the financial statements for the periods presented would be no different had the company applied IFRS as issued by the IASB. References to the IFRS hereafter should be construed as references to IFRS adopted by the EU. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2008.

The financial statements are presented in Sterling and all values are rounded to the nearest pound except where otherwise indicated.

These financial statements are prepared on the historical cost convention except for certain financial assets and liabilities including derivative financial instruments that are measured at fair value.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the company is Sterling. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of transactions.

Interest

Interest on cash and cash equivalents and borrowings held at amortised cost is recognised in the income statement using the effective interest method.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price and directly attributable costs.

Property, plant and equipment are recognised as assets in the balance sheet if it is probable that the Company will derive future economic benefits from them and the cost of an asset can be reliably estimated. Property, plant and equipment are recognised at cost minus accumulated depreciation and any impairment losses. Cost includes purchase price plus expenses directly attributable to the asset in order to bring it to the location and condition to be operated in the intended manner.

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand.

Income taxes

The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit or loss for the period. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial information. Deferred tax arising from initial recognition of an asset or liability in a transaction, other than an acquisition, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. Deferred tax is measured using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised or the liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

New standards and interpretations not applied

The International Accounting Standards Board (IASB) has issued the following standards and interpretations with an effective date after the date of these financial statements:

<i>International Financial Reporting Standard</i>	<i>Effective date</i>
IFRS 8 Operating segments	1 January 2009
IAS 1 Presentation of financial statements (amendment)	1 January 2009
IAS 23 Borrowing costs (amendment)	1 January 2009
IAS 32 Puttable Financial Instruments & obligations on liquidation (amendment)	1 January 2009
IFRIC 15 Agreements for construction of real estate	1 January 2009
IFRS 8 Operating segments	1 January 2009
IFRS 2 Share based payments: vesting conditions and cancellation (amendment)	1 January 2009
IFRS 1 Cost of investment in separate financial statements (amendment)	1 January 2009
IAS 27 Consolidated and separate financial statements (amendment)	1 July 2009
IAS 39 Eligible Hedged Items	1 July 2009
IFRIC 17 Distribution of non-cash assets to owners	1 July 2009
IFRIC 18 Transfers of assets from customers	1 July 2009
IFRS 3 Business combinations (amendment)	1 July 2009

In addition, the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of new interpretations with effect dates ranging from 1 March 2007 to 1 January 2009. The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the company's financial information in the period of initial application.

2. Segment analysis

Analysis by business segment

The company has only one business segment: engineering and construction of wheat to ethanol fermentation plant. Information presented elsewhere in these financial statements relate to that segment only.

Analysis by geography

In the period all assets, liabilities and capital expenditure originated in the United Kingdom.

Notes to the financial statements

at 31 December 2008

3. Operating expenses

This operating loss is stated after charging:

	2008 £	2007 £
Auditors' remuneration - audit services	6,500	3,500
- tax services	-	1,500
	<u>6,500</u>	<u>5,000</u>

4. Staff costs

The company had three direct employees as at 31 December 2008. None of the directors receive any remuneration as directors of the company.

	2008 £	2007 £
Staff Costs		
Salary and Benefit Costs	53,830	-
	<u>53,830</u>	<u>-</u>

5. Finance revenue

	2008 £	2007 £
Interest income		
Bank interest receivable	577,077	129,144
Total finance revenue	<u>577,077</u>	<u>129,144</u>

6. Tax

(a) Analysis of the tax charge/(credit) for the period

	2008 £	2007 £
UK Corporation tax:		
Current income tax charge	146,579	29,750
Deferred tax:		
Origination and reversal of temporary differences	-	-
Tax charge/(credit) in the income statement	<u>146,579</u>	<u>29,750</u>

Notes to the financial statements

at 31 December 2008

6. Tax (continued)

(b) Reconciliation of the total tax charge for the year

A reconciliation of the tax charge/(credit) applicable to the company's loss before tax at the applicable tax rate of 28% (2007: 30%) to the provision for income taxes is as follows:

	2008 £	2007 £
Loss before tax	(1,032,927)	(376,887)
Tax at the rate of 28% (2007: 30%)	(289,220)	(113,066)
Non-deductible expenses	50	6,300
Pre-commencement expenditure carried forward	458,757	145,509
Changes in tax rates and laws	(23,008)	(8,993)
Total tax expense in the income statement	(146,579)	29,750

Pre-commencement expenditure will be deductible for corporation tax purposes when the company commences to trade.

7. Property, plant and equipment

	<i>Plant and equipment in the course of construction</i> £	<i>Total</i> £
Cost:		
At 1 January 2008	2,987,508	2,987,508
Additions	40,903,755	40,903,755
At 31 December 2008	43,891,263	43,891,263
Depreciation:		
At 1 January 2008 and 31 December 2008	-	-
Net book value		
At 31 December 2008	43,891,263	43,891,263
At 1 January 2008	2,987,508	2,987,508

Plant and equipment comprises design, engineering and construction work for the wheat to ethanol fermentation plant.

Notes to the financial statements

at 31 December 2008

8. Trade and other receivables

	2008	2007
	£	£
Prepayments		-
Other receivables	1,349,161	319,611
	<u>1,349,161</u>	<u>319,611</u>

The carrying value of trade and other receivables also represents their fair value. All other receivables are neither past due or impaired.

9. Cash and cash equivalents

	2008	2007
	£	£
Cash at bank and in hand	7,619,197	5,962,018
	<u>7,619,197</u>	<u>5,962,018</u>

Cash at bank and in hand attracts interest at floating rate.

10. Trade and other payables

	2008	2007
	£	£
Trade payables		-
Other accrued liabilities	5,588,105	1,646,004
	<u>5,588,105</u>	<u>1,646,004</u>

11. Financial instruments

Financial assets comprise cash and cash equivalents as set out in note 9. There are no financial liabilities or borrowings at the balance sheet date.

Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities is equal or approximates to their fair value.

12. Share capital

Authorised	2008	2007
	£	£
Ordinary shares of £1 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

Notes to the financial statements

at 31 December 2008

12. Share capital (continued)

<i>Allotted, called up and fully paid</i>	<i>2008</i>	<i>2007</i>
	<i>£</i>	<i>£</i>
At 1 January 2008	8,000,020	1
Shares issued	40,711,060	8,000,019
At 31 December 2008	48,711,080	8,000,020

15,399,000 ordinary shares were issued at par £1 on 29 May 2008 for a cash consideration of £15,399,000.

14,125,460 ordinary shares were issued at par £1 on 15 July 2008 for a cash consideration of £14,125,460

11,186,600 ordinary shares were issued at par £1 on 29 August 2008 for a cash consideration of £11,186,600

13. Reconciliation of movements in shareholders' funds

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2007	1	-	1
Share capital issued for the year	8,000,019	-	8,000,019
Total loss recognised for the year	-	(406,637)	(406,637)
At 1 January 2008	8,000,020	(406,637)	7,593,383
Total loss recognised for the year	-	(1,179,506)	(1,179,506)
Share capital issued during the year	40,711,060	-	40,711,060
At 31 December 2008	48,711,080	(1,586,143)	47,124,937

14. Related parties

Transactions with associated undertakings

Transactions with BP, British Sugar and DuPont, all shareholders of the company (45%/45%/10%)

	<i>Transaction amount</i>	<i>Outstanding balance</i>	<i>Transaction amount</i>	<i>Outstanding balance</i>
	<i>2008</i>	<i>2008</i>	<i>2007</i>	<i>2007</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
BP	1,229,249	173,615	554,459	345,233
ABF	560,534	214,221	192,875	192,875
DuPont	201,098	30,404	17,550	17,550

Terms and conditions of these transactions were for payment at end of month following the date of invoice.