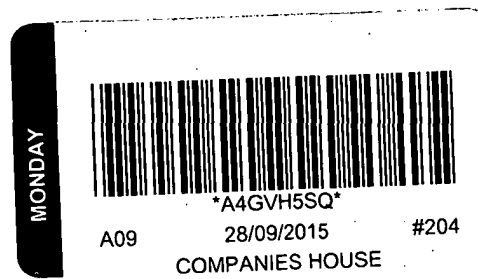


**Company Registration No. 02206141**

**WRG Environmental Limited**

**Report and Financial Statements**

**31 December 2014**



# **WRG Environmental Limited**

## **Report and financial statements 2014**

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# **WRG Environmental Limited**

## **Report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

P Taylor  
V F Orts-Llopis  
A Serrano Minchan

#### **Company Secretary**

C Nunn

#### **Registered Office**

Ground Floor West  
900 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7RG

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ  
United Kingdom

# **WRG Environmental Limited**

## **Directors' report**

The Directors of WRG Environmental Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 December 2014.

### **Principal activity**

The principal activity of the Company during the year ended 31 December 2014 was the handling, recycling and disposal of waste materials.

### **Directors**

The following individuals served as Directors of the Company during the year ended 31 December 2014 and up to the date of this report:

P Taylor  
V F Orts-Llopis  
A Serrano Minchan

### **Results and dividends**

The results of the Company for the year ended 31 December 2014 are set out on page 7. The loss (2013: profit) for the financial year amounted to £1.0million (2013: £0.2million profit). The Company did not pay an interim dividend during the year (2013: £nil) and furthermore, the Directors do not recommend the payment of a final dividend (2013: £nil). The loss (2013: profit) for the financial year has been withdrawn from (2013: transferred to) reserves, resulting in a corresponding increase (2013: reduction) in total shareholder's deficit in the year.

### **Going concern**

The Directors, having assessed the responses of their enquiries to the indirect parent company, FCC Environment (UK) Limited ("FCC E UK"), have reviewed projected cash flows and continue to adopt the going concern basis in preparing the Directors' report and financial statements. Full details of the going concern consideration can be found in note 1 of the notes to the financial statements.

### **Financial risk management**

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. Due to the nature of the Company's activities and the assets contained within the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are liquidity and credit risk.

### **Liquidity and credit risk**

The Company's exposure to credit and liquidity risk is reduced as it is a wholly owned subsidiary of FCC E UK and participates in a cash-pooling agreement with FCC E UK and FCC E UK's subsidiary undertakings (together the "Group"). Credit risk arises from the risk of having credit exposures to customers, including outstanding receivables. The Company reviews the credit ratings of all significant customers regularly and continues to monitor the quality of debtor balances on an ongoing basis. Liquidity risk is the risk that the Company does not have sufficient cash resources to meet its commitments. The Company prepares and reviews cash flow forecasts frequently to ensure that it has sufficient resources to meet its cash flow commitments.

### **Directors' indemnities**

During the financial year, qualifying third party indemnity provisions for the benefit of all Directors of the Company were in force and continue to be in force at the date of this report. Such provisions were made by the Company's ultimate parent company, Fomento de Construcciones y Contratas, S.A. ("FCC").

# WRG Environmental Limited

## Directors' report

### Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirms that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and that each Director has taken all the steps that he ought to have taken as a Director to make himself 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 provisions of section 418 of the Companies Act 2006 (the "Act").

### Auditor

Pursuant to section 487 of the Act, the auditor will be deemed to be reappointed annually by the Company and Deloitte LLP will therefore continue in office until further notice.

### Small companies exemption

The Company has taken advantage of the exemptions for small companies set out in s415A of the Act as amended by The Companies Act 2006 (Amendment) (Accounts and Reports) Regulations 2008 (2008/393), {reg. 6(2)}.

Approved by the Board of Directors  
and signed on behalf of the Board



C Nunn  
Company Secretary

9 June 2015

# **WRG Environmental Limited**

## **Directors' responsibilities statement**

The Directors are responsible for preparing 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of WRG Environmental Limited**

We have audited the financial statements of WRG Environmental Limited for the year ended 31 December 2014, which comprise of the profit and loss account, the balance sheet and the related notes 1 to 20. 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2014 and of its loss for the year 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.

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

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

## **Independent auditor's report to the members of WRG Environmental Limited (continued)**

### **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 from preparing a Strategic report or in preparing the Directors' report.



Makhani Chahal (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

17th June 2015



## WRG Environmental Limited

### Profit and loss account Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	2	2,648	4,280
Cost of sales (including in 2014 an exceptional impairment of tangible fixed assets of £659,000)		(3,102)	(3,530)
<b>Gross (loss)/profit</b>		(454)	750
Administrative expenses		(66)	(119)
<b>Operating (loss)/profit</b>		(520)	631
Net interest payable	5	(444)	(399)
<b>(Loss)/profit on ordinary activities before taxation</b>	3	(964)	232
Tax on (loss)/profit on ordinary activities	6	-	-
<b>(Loss)/profit for the financial year</b>	14	(964)	232

All results in the year ended 31 December 2014 relate to continuing operations.

There are no recognised gains and losses in either the financial year ended 31 December 2014 or the previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.

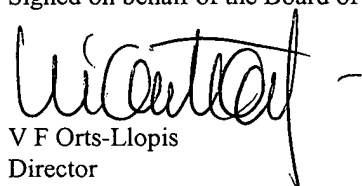
# WRG Environmental Limited

## Balance sheet at 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	7	-	486
Investments	8	-	-
		<u>-</u>	<u>486</u>
<b>Current assets</b>			
Debtors: amounts due within one year	9	44,818	45,963
Debtors: amounts due after more than one year	10	1,137	1,137
		<u>45,955</u>	<u>47,100</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(44,672)</u>	<u>(44,640)</u>
<b>Net current assets</b>		<u>1,283</u>	<u>2,460</u>
<b>Total assets less current liabilities</b>		<u>1,283</u>	<u>2,946</u>
<b>Provisions for liabilities</b>	12	<u>(11,600)</u>	<u>(12,299)</u>
<b>Net liabilities</b>		<u>(10,317)</u>	<u>(9,353)</u>
<b>Capital and reserves</b>			
Called-up share capital	13	56,208	56,208
Profit and loss account	14	(66,525)	(65,561)
<b>Shareholder's deficit</b>	15	<u>(10,317)</u>	<u>(9,353)</u>

The financial statements of WRG Environmental Limited, registered number 02206141 were approved by the Board of Directors and authorised for issue on 9 June 2015.

Signed on behalf of the Board of Directors

  
V F Orts-Llopis  
Director

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 1. Accounting policies

These financial statements are prepared in accordance with applicable United Kingdom laws and accounting standards.

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

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Going concern

At 31 December 2014 the Company had net liabilities of £10.3million. Included within creditors falling due within one year is £44.5million which is due to fellow subsidiary undertakings. The Directors have assessed the responses of their enquiries to the indirect parent company, FCC E UK (and consequently FCC), and have reviewed projected cash flows and carefully considered the risks to the Company's trading performance and cash flows and continue to adopt the going concern basis in preparing the Directors' report and financial statements.

#### Cash flow exemption

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement as it is an indirect wholly owned subsidiary in a group which has prepared a consolidated cash flow statement.

#### Consolidation

The Company has claimed exemption from the preparation of consolidated financial statements under section 400 of the Companies Act 2006 as it is an indirectly held subsidiary of a group which has prepared consolidated financial statements. Accordingly, these financial statements present information about the Company only and not the group, of which it heads.

#### Investments

Investments are stated at cost less provision for any impairment in value.

#### Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost less residual value of assets as follows:

Freehold buildings	-	over 25 to 50 years
Freehold landfill sites	-	based on the void used in the period as a proportion of total void
Plant and machinery	-	3 to 10 years
Motor vehicles	-	4 years

Expenditure on freehold landfill sites includes engineering costs. Elements of these costs are classified according to their expected economic life and depreciated accordingly in proportion to the rate that waste is deposited. All other assets are depreciated on a straight-line basis.

#### Decommissioning and aftercare costs

Full provision has been made for the net present value ("NPV") of the Company's minimum unavoidable costs, in respect of decommissioning liabilities at the Company's landfill sites, which has been capitalised in fixed assets. The Company continues to provide for all aftercare costs over the life of its landfill sites, based on the volumes of waste deposited in the year, since liabilities in relation to these costs increase as waste is deposited.

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 1. Accounting policies (continued)

All long-term provisions for decommissioning and aftercare costs are calculated based on the NPV of estimated future costs. Current cost estimates are inflated at 2.5 per cent and discounted at 5 per cent to calculate the NPV. The effects of the unwinding of the discount element on existing provisions are reflected as a financial item.

#### Turnover

Turnover is stated net of value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Turnover is recognised in respect of waste disposal services when the waste has been received and disposed of. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### Taxation

Current tax, including UK corporation tax and foreign 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 is measured on a non-discounted basis

#### Post-retirement benefits

The Group operates a defined contribution scheme on behalf of its eligible employees. Contributions to the scheme are charged to the profit and loss account for the year in which they are payable.

#### Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

### 2. Turnover

All turnover was generated in the United Kingdom principally from the handling, recycling and disposal of waste materials.

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 3. (Loss)/profit on ordinary activities before taxation

	2014 £'000	2013 £'000
<b>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):</b>		
Increase/(decrease) in environmental provisions on revision of estimate of future costs (included within the provisions credit)	58	(545)
Impairment of tangible fixed assets	659	-
Depreciation of tangible fixed assets – owned	350	186
Operating lease rentals – plant and machinery	24	26
Operating lease rentals – land and buildings	18	17
	<u>          </u>	<u>          </u>

Auditor's remuneration in respect of audit fees totalling £4,000 (2013: £4,000) has been borne by FCC Recycling (UK) Limited, a fellow subsidiary undertaking of FCC E UK.

### 4. Information regarding Directors and employees

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2014 or the previous financial year.

They are all remunerated as Directors or employees of FCC E UK for services to the Group as a whole and as such it is not possible to directly attribute any element of their remuneration to services as a director of this company.

	2014 £'000	2013 £'000
Wages and salaries	77	88
Social security costs	7	9
Pension costs	3	1
	<u>          </u>	<u>          </u>
	87	98
	<u>          </u>	<u>          </u>
	No.	No.
The average number of employees (excluding Directors) during the year was:	<u>          </u>	<u>          </u>
	5	6

### 5. Net interest payable

	2014 £'000	2013 £'000
Interest receivable and similar income		
Other interest receivable	-	(1)
	<u>          </u>	<u>          </u>
Interest payable and similar charges		
Unwinding of discount (note 12)	444	400
	<u>          </u>	<u>          </u>
Net interest payable	<u>          </u>	<u>          </u>
	444	399

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 6. Tax on (loss)/profit on ordinary activities

	2014 £'000	2013 £'000
<b>UK corporation tax</b>		
United Kingdom corporation tax at 21.5% (2013: 23.25%) based on (losses)/profits for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
<b>Deferred tax</b>		
Timing differences, origination and reversal (note 12)	-	-
	<u>-</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>-</u>

The total current tax position for both the current and previous year differs from the average standard rate of 21.5% (2013: 23.25%) for the reasons set out in the following reconciliation:

	2014 £'000	2013 £'000
(Loss)/profit on ordinary activities before taxation	<u>(964)</u>	<u>232</u>
Tax on (loss)/profit on ordinary activities at average standard rate	(207)	54
Factors affecting charge:		
Group relief surrendered	195	41
Depreciation in excess of capital allowances	217	20
Utilisation of general provisions	(191)	(68)
Site preparation relief	(14)	(47)
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

A number of changes to the UK Corporation Tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 enacted on 17 July 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and a further reduction from 21% to 20% from 1 April 2015.

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 7. Tangible fixed assets

	Landfill sites £'000	Other freehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 January 2014	57,418	81	1,872	-	59,371
Additions	382	-	141	-	523
Disposals	-	-	(5)	-	(5)
At 31 December 2014	57,800	81	2,008	-	59,889
<b>Depreciation</b>					
At 1 January 2014	56,952	81	1,852	-	58,885
Charge for the year	320	-	30	-	350
Impairment charge	528	-	131	-	659
Disposals	-	-	(5)	-	(5)
At 31 December 2014	57,800	81	2,008	-	59,889
<b>Net book value</b>					
At 31 December 2014	-	-	-	-	-
At 31 December 2013	466	-	20	-	486

The CGUs of the Company comprise individual sites which constitute the smallest identifiable group of assets that generate inflows that are largely independent of the cash inflows from other assets or groups of assets. The carrying value of the individual sites is compared to the recoverable amount of the CGUs, which is based predominantly on value in use. The cash flow forecasts have been projected on a life of site basis applying growth rates based on assumptions which include market size and volumes, recyclate prices, gate fees and the future level of landfill tax. For certain CGUs the recoverable amount is determined by reference to the fair value less costs to sell of the underlying assets using internal and external valuations of property, plant and equipment and management's estimate of disposal costs.

Management estimate discount rates that reflect current market assessments of the time value of money and the risk specific to the CGUs of 6.8% (2013: 6.3%).

An impairment loss of £659,000 (2013: £nil) has been recognised in the year on assets primarily in the landfill sites category. This reflects the earlier than expected closure of the Company's landfill assets which is a result of a significant and sustained decline in the quantity and quality of active waste landfilled in the UK and the move towards recycling and recovery. This has been measured by reference to the value in use of the underlying assets.

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 8. Investments in subsidiary undertakings

	<b>£'000</b>
<b>Cost and net book value</b>	
At 31 December 2013 and 31 December 2014	-

The Company owned the entire issued ordinary share capital of FCC Energy Limited (a company incorporated in Scotland) and WRG Properties Limited (a company incorporated in England and Wales). Both companies were dormant and FCC Energy Limited was dissolved on 15 July 2013. WRG Properties Limited was dissolved on 23 July 2013.

### 9. Debtors: amounts due within one year

	2014 £'000	2013 £'000
Trade debtors	11	8
Amounts owed from fellow subsidiary undertakings	44,634	45,955
Prepayments	173	-
	<u>44,818</u>	<u>45,963</u>

### 10. Debtors: amounts due after more than one year

	2014 £'000	2013 £'000
Amounts prepaid to fellow subsidiary undertakings	1,137	1,137
	<u>1,137</u>	<u>1,137</u>

### 11. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	64	107
Amounts owed to fellow subsidiary undertakings	44,498	44,498
Accruals	110	35
	<u>44,672</u>	<u>44,640</u>



# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 12. Provisions for liabilities

	Other provisions £'000	Decomm- issioning £'000	Landfill aftercare £'000	Total £'000
At 1 January 2014	3,571	1,336	7,392	12,299
(Credited)/ charged to profit and loss account	(361)	(208)	209	(360)
New provisions capitalised in tangible fixed assets	295	-	-	295
Unwinding of discount (note 5)	5	62	377	444
Expended in year	(596)	(241)	(241)	(1,078)
<b>At 31 December 2014</b>	<b>2,914</b>	<b>949</b>	<b>7,737</b>	<b>11,600</b>

The Group provides for the estimated cost of decommissioning its landfill sites at the end of their operational life and for their subsequent aftercare. The aftercare period is generally expected to be 60 years and expenditure will be incurred throughout this 60 year period. These provisions are discounted at a rate of 5% from the date on which the expenditure is expected to occur. These provisions by their nature require a significant degree of estimation and hence there is a degree of uncertainty with regards to the timing and amount of outflows of economic benefit.

Other provisions include the estimated cost of discharging environmental liabilities, including current capping of open landfill areas and the disposal of leachate, which arise during the operational phase of its landfill sites. Capping expenditure occurs as landfill cells are completed, whilst expenditure on the disposal of leachate occurs throughout the lifecycle of a landfill site.

#### Deferred taxation

	Provided		Unprovided	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Capital allowances in excess of/(less than) depreciation	-	38	(113)	(80)
Short term timing differences	-	(38)	(616)	(697)
Unrelieved trading losses	-	-	(28)	(28)
	-	-	(757)	(805)

The Company has unprovided deferred tax assets as there is insufficient certainty as to whether events will materialise to crystallise the deferred tax.

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 13. Called-up share capital

	2014 £'000	2013 £'000
<b>Authorised</b>		
60,000,000 ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>
<b>Called-up, allotted and fully paid</b>		
56,208,166 ordinary shares of £1 each	<u>56,208</u>	<u>56,208</u>

### 14. Reserves

	<b>Profit and loss account £'000</b>
At 1 January 2014	65,561
Loss for the financial year	964
<b>At 31 December 2014</b>	<u><b>66,525</b></u>

### 15. Reconciliation of movements in shareholder's deficit

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	<u>(964)</u>	<u>232</u>
Net (increase)/reduction in shareholder's deficit	(964)	232
Opening shareholder's deficit	<u>(9,353)</u>	<u>(9,585)</u>
Closing shareholder's deficit	<u><b>(10,317)</b></u>	<u><b>(9,353)</b></u>

# WRG Environmental Limited

## Notes to the financial statements Year ended 31 December 2014

### 16. Contingent liabilities

- (a) The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the Group.
- (b) On 22 January 2014, the Company was a party to the refinancing of Azincourt Investment S.L. ("Azincourt") and its subsidiary companies. Azincourt was the company used by Fomento de Construcciones y Contratas, S.A. for the acquisition of the Group and its subsidiary undertakings including the Company. Under the re-financing, the Group has granted legal mortgages (or the relevant Scottish equivalent) over specified real property, fixed charges over certain assets, fixed charges or share pledges over investments in addition to assigning certain of its insurance policies and interests in hedging arrangements. The Group has granted floating charges over all present and future undertakings not already charged pursuant to any of the above. Additionally, the Group has granted fixed and floating charges over certain assets as security under an Asset Backed Lending Facility.
- (c) The Group must comply with the Environment Agency's financial provisioning requirements for its landfill sites in England and Wales, which is satisfied by providing financial security bonds. The total value of the bonds issued for this financial provisioning requirement at 31 December 2014 was £101.0million (2013: £103.8million) of which £2.0million (2013: £2.0million) related to the Company.

### 17. Pension contributions

The Company participates in the defined contribution scheme operated by FCC E UK on behalf of its eligible employees. The assets of the scheme are held separately from those of the Company in independently administered funds. The contributions by the Company to the scheme in the year amounted to £3,000 (2013: £1,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 18. Operating lease commitments

At 31 December, the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Which expire:				
In two to five years	1	-	-	4
After five years	18	11	-	-
	<u>19</u>	<u>11</u>	<u>-</u>	<u>4</u>

### 19. Related party transactions

The Directors regard all subsidiaries of FCC as related parties. In the ordinary course of business, the Company has traded with fellow subsidiaries of FCC.

The Company has taken advantage of the exemption conferred by FRS 8 from disclosing details of those transactions with other wholly owned subsidiaries of FCC.

# **WRG Environmental Limited**

## **Notes to the financial statements Year ended 31 December 2014**

### **20. Ultimate parent company**

The immediate parent of the Company is WRG Acquisitions 2 Limited, a company registered in England and Wales.

The Directors regard Fomento de Construcciones y Contratas, S.A., a company registered in Spain, as the ultimate parent company and controlling party.

Fomento de Construcciones y Contratas, S.A. is the parent company of the largest group of which the Company is a member and for which group financial statements are drawn up. FCC Environment (UK) Limited is the parent company of the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the financial statements of both FCC Environment (UK) Limited and Fomento de Construcciones y Contratas, S.A. are available from the Company Secretary, Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7RG.