

Company Registration No. 05567332

FCC Wrexham PFI Holdings Limited

Annual report and financial statements

for the year ended 31 December 2015



FCC Wrexham PFI Holdings Limited

Annual report and financial statements 2015

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	6
Independent auditor's report	8
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13

FCC Wrexham PFI Holdings Limited

Annual report and financial statements 2015

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

FCC Wrexham PFI Holdings Limited

Strategic report

The Directors present their strategic report on the affairs of FCC Wrexham PFI Holdings Limited (“the Company”) for the year ended 31 December 2015.

Overview of Group

The Company is an indirect subsidiary of Fomento de Construcciones y Contratas, S.A. (“FCC”), the ultimate parent company domiciled in Spain. FCC is a significant multi-national business listed on the Madrid stock exchange with operations in Europe, America, Africa and the Middle East. FCC’s principal activities cover Environmental Services (including water and waste management), Construction, Cement and Infrastructure.

The activities, strategy and risks affecting the Company are inextricably similar to, and dependent on, those of FCC Environment (UK) Limited (“FCC E UK”) and FCC E UK’s subsidiary undertakings (together the “Group”), which, like the Company, are all fellow subsidiary undertakings of FCC. The Company relies upon the Group for the provision of many of its services and to operate the waste management facilities and contracts. Consequently the following narrative relates to the Group and includes the Company as a fellow subsidiary undertaking of FCC.

FCC’s financial capacity and depth of experience in the European waste infrastructure sector is backed by over 100 years of experience in operating municipal services contracts. This complements both the position of the Group as a leading waste management, recycling and renewable energy business, and the Group’s ambition to maintain its position as a significant player in establishing the next generation of waste treatment infrastructure in the UK. The core services provided by the Group are fully aligned with FCC’s strategic growth plans and it is ideally placed to take advantage of local opportunities to provide the services and infrastructure required by the UK to meet existing legislative framework and emerging proposals to create a circular economy by recognising the true value of the materials we handle. The Board continues to look forward to the opportunities that are presented to the Group and its employees by virtue of FCC’s plans to expand and embed its operations in the UK.

The Group’s strategy is to “Own the Waste” and to maximise the value of resource, produce renewable energy and provide 360° solutions to its customers. The Directors see the development of major waste infrastructure to support sustainable waste management and strategic long-term partnerships as key to the Group’s future business growth. It anticipates considerable activity and deployment of Group resources into recycling facilities, renewable energy projects, the development of innovative waste treatment solutions and the provision of regional facilities. The Directors remain of the view that Energy from Waste (“EfW”) will be a key component of UK’s waste and resource strategy and, in combination with other treatment, recycling and recovery operations, backed up by landfill disposal for residues, is a strategy that represents a long-term sustainable solution for meeting the Group’s clients’ diversion targets.

Principal activities and developments in the year

The principal activity of the Company is that of an investment holding company. There were no developments during the financial year.

FCC Wrexham PFI Holdings Limited

Strategic report

Business review

The Directors consider that the Company's business performance remained satisfactory during the year.

Results, dividends and key performance indicators

The results for the year are set out on page 10. The Company made neither a profit nor a loss during the year (2014: £nil). No dividend payment was proposed by the Directors or paid during the year (2014: nil).

There were no movements in shareholder's funds during the year (2014: no movements).

FCC, the ultimate parent company, manages its operations on a divisional basis and information regarding financial and non-financial key performance indicators is included within the FCC annual report. For this reason, the Company's Directors believe that the disclosure of further key performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business.

At 1 January 2014, the company transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice. This transition is not considered to have had a material effect on the financial statements.

Future developments

The Directors of the Company expect the business to continue to perform satisfactorily in future years.

Principal risks and uncertainties

Operating in the UK's highly regulated waste management market presents numerous risks and uncertainties to the Group. The Directors regard the following to be the principal risks and uncertainties affecting the Group and their approach to managing these risks and uncertainties is considered below:

- **Environmental risks:** The Group's environmental risks are tightly controlled under environmental legislation enforced principally by the Environment Agency ("EA"), Scottish Environment Protection Agency ("SEPA") and Natural Resources Wales ("NRW"). Compliance with all environmental legislation pertinent to the Group's activities is a minimum requirement. A dedicated in-house team prepare regular reports on environmental compliance at the Group's sites for the Director's review. Environmental objectives are reviewed annually and highlighted within the Group's Safety Health Environment and Quality (SHEQ) Policy Statement. In addition to this there are detailed environmental procedures to enable compliance with environmental legislation.
- **Health and safety:** Health and safety is a key issue for the Group due to the nature of its operations, including the use of heavy plant equipment and difficult working conditions. The Group is continually improving in this area as a result of ongoing consultation with the relevant authorities and the monitoring of best practice initiatives. Whenever an area is highlighted for improvement, the Group seeks to implement such improvement expeditiously; through bulletins, on-line training courses and tool-box briefings. The Group's Incident Review Panel meets quarterly, at which senior management review significant health and safety incidents that have occurred at Group sites to identify improvements and lessons for the business. All employees undertake a rigorous health and safety training programme, which is underpinned by the latest UK legislation, detailed policies and procedures. The Group's executive management receive regular, detailed reports on health and safety performance affecting the Group's operations and it employs a dedicated team, led by the Group Safety, Health, Environment and Quality Manager, to monitor and promote high standards. All employees are expected to recognise their role in achieving acceptable standards of health and safety and to exhibit such understanding through their approach and attitude to work.

FCC Wrexham PFI Holdings Limited

Strategic report

Principal risks and uncertainties (continued)

- **Business continuity:** The Group, as part of its risk management programme, has developed business continuity planning for its operations. As part of this planning the Group has developed a bespoke emergency plan for each operational facility (including the diversion of waste from single or multiple sites in the event of major disruption or disaster affecting a site or region). The Group's IT systems are outsourced to a specialist IT services company and are covered by an IT disaster recovery plan, to ensure business continuity. The Group is working on the development of a new business continuity plan under the control of FCC E UK's IMS that will be designed around the British Standard 25999.
- **Legislation:** The Group monitors forthcoming and current legislation to ensure full compliance and to anticipate and assess the impact upon its operations, including the significant opportunities it can present. The waste management industry is subject to extensive government regulation which has a substantial impact on the Group's business, FCC E UK therefore actively lobbies for its interests at European, national and regional levels through trade associations and federations.
- **Economic:** The Group has exposure to reduced economic activity, and in the current year has seen waste volumes reduce where lower economic output has been a factor. The Group's strategy is focused on growing through recycling and EfW where margins are generally higher than traditional landfill.
- **Litigation:** The Group is subject to litigation from time to time. The outcome of legal action is always uncertain and there is a risk that it may prove more costly and time consuming than expected. There is also a risk that litigation could be instigated in the future that could materially impact the Group. In some liability cases legal expenses are covered by the Group's liability insurance. This risk is mitigated through continued monitoring and employing an experienced and dedicated in-house legal team.
- **Competitive risk:** The Group operates in highly competitive markets in which competitors' service offerings may react faster to legislative and market dynamics than those of the Group. To mitigate this risk the Group ensures that its asset, cost and capital base is regularly reviewed and flexed to meet changes in customers' demands and to maximise cash generation.
- **Employees:** The loss of key employees or the inability to hire experienced management personnel could have a materially adverse effect on the business. To manage this risk, succession planning for senior positions within the Group is undertaken. In addition, the Group has the benefit of being able to draw on wider resources from within the FCC Group.
- **Technology:** The Group relies on a variety of information technology platforms for the efficient delivery of its services and has therefore employed a structured IT support team, using internal and external resources. In addition, as there are a wide variety of technologies available to the waste management industry, there is a risk that the technologies employed by the Group might fail to deliver expected performance levels or end products for its customers and so the Group has made a significant investment into establishing a dedicated technical and development team. This team review and assess the available technologies before any are adopted to ensure they will meet the needs of the business and those of its customers.

Financial risk management objectives and policies

The Company balance sheet contains a loan receivable from a subsidiary undertaking, FCC Wrexham PFI Limited and a loan payable to its parent undertaking, FCC PFI Holdings Limited. These loans bear interest at equal rates and run for the same term. The Company does not therefore bear significant credit, liquidity risk or interest rate risk.

FCC Wrexham PFI Holdings Limited

Strategic report

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Approved by the Board and signed on its behalf by:



C Nunn
Company Secretary
25 April 2016

FCC Wrexham PFI Holdings Limited

Directors' report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2015.

Directors

The following individuals served as Directors of the Company during the year ended 31 December 2015 and up to the date of this report:

P Taylor
V F Orts-Llopis
A Serrano Minchan

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 FCC.

Future developments

The future developments of the company are considered in detail in the Strategic report on page 3.

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FCC Wrexham PFI Holdings Limited

Directors' report

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the Board and signed on its behalf by:



C Nunn
Company Secretary
25 April 2016

Independent auditor's report to the members of FCC Wrexham PFI Holdings Limited

We have audited the financial statements of FCC Wrexham PFI Holdings Limited for the year ended 31 December 2015 which comprise of the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework.

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 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 2015 and of its result for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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 FCC Wrexham PFI Holdings Limited

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.



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

27/4 April 2016

FCC Wrexham PFI Holdings Limited

Statement of comprehensive income Year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Interest receivable on loan note in subsidiary company		281	295
Interest payable on loan note to parent company		(281)	(295)
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	6	-	-
Result for the financial year		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-

All results in the year ended 31 December 2015 relate to continuing operations.

The notes on pages 13 to 19 are an integral part of these financial statements.

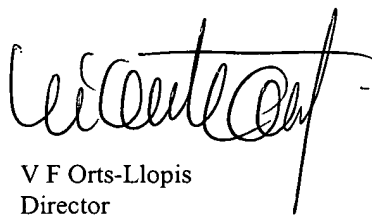
FCC Wrexham PFI Holdings Limited

Balance sheet at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	7	20	20
Current assets			
Debtors: amounts due within one year	8	184	115
Debtors: amounts due after more than one year	9	2,621	2,736
		<u>2,805</u>	<u>2,851</u>
Creditors: amounts falling due within one year	10	<u>(184)</u>	<u>(115)</u>
Net current assets		<u>2,621</u>	<u>2,736</u>
Total assets less current liabilities		2,641	2,756
Creditors: amounts falling due after more than one year	11	<u>(2,621)</u>	<u>(2,736)</u>
Net assets		<u>20</u>	<u>20</u>
Capital and reserves			
Called-up share capital	13	20	20
Profit and loss account		-	-
Total equity		<u>20</u>	<u>20</u>

The notes on pages 13 to 19 are an integral part of these financial statements.

The financial statements of FCC Wrexham PFI Holdings Limited, registered number 05567332 were approved by the Board of Directors and authorised for issue on 25 April 2016. They were signed on its behalf by:



V F Orts-Llopis
Director

FCC Wrexham PFI Holdings Limited

Statement of changes in equity at 31 December 2015

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Year ended 31 December 2015			
At 1 January 2015	20	-	20
Result for the year	-	-	-
Other comprehensive income/(expense)	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	20	-	20
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Year ended 31 December 2014			
At 1 January 2014	20	-	20
Result for the year	-	-	-
Other comprehensive income/(expense)	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2014	20	-	20
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

1. Corporate information

FCC Wrexham PFI Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) issued by the Financial Reporting Council.

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all years presented. There were no adjustments to the financial statements arising from the transition.

The functional and presentational currency of FCC Wrexham PFI Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Exemptions for qualifying entities under FRS 101

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment*
- (b) The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*
- (c) The requirements of IFRS 7 *Financial Instruments: Disclosures*
- (d) The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*
- (e) The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - iii. paragraph 118(e) of IAS 38 *Intangible Assets*;
- (f) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*
- (g) The requirements of IAS 7 *Statement of Cash Flows*
- (h) The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- (i) The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- (j) The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (k) The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

2. Accounting policies (continued)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015 (except as noted below). Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRSs 2010 - 2012 Cycle
- Annual Improvements to IFRSs 2011 - 2013 Cycle

New international accounting standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following new or amended IFRS accounting standards and interpretations, which have not yet been adopted by the Group, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9 – Financial instruments
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 11 (amendments) – Accounting for Acquisitions of Interests in Joint Operations
- IAS 1 (amendments) – Disclosure Initiative
- IAS 16 and IAS 38 amendments – Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 27 (amended) – Equity Method in Separate Financial Statements
- IFRS 10 and IAS 28 amendments – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 10, IFRS 12 and IAS 28 (amendments) – Investment Entities: Applying the Consolidation Exemption
- Annual Improvements to IFRSs 2012 - 2014 Cycle

The Directors do not expect that the adoption of the aforementioned standards and interpretations will have a material impact on the financial statements of the Company in future periods.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Consolidation

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

Going concern

Having made appropriate enquiries, the Directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future, and for this reason, having reviewed projected cash flows and carefully considered the risks to the Company's trading performance and cash flows have continued to adopt the going concern basis in preparing the financial statements.

Investments

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

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

2. Accounting policies (continued)

Taxation

Turnover, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- debtors and creditors are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors or creditors in the balance sheet. Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable surplus for the year using average tax rates in place during the financial year, and any adjustments in respect of previous periods. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is recognised for all temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill, non-tax deductible goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- Impairment of investments in subsidiaries - Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

4. Result on ordinary activities before taxation

Auditor's remuneration in respect of audit fees totalling £1,000 (2014: £1,000) has been met by FCC Recycling (UK) Limited, a subsidiary undertaking of FCC E UK.

5. Directors' remuneration and transactions

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2015 or the previous financial year. They are remunerated as Directors or employees of FCC E UK for services to the group as a whole and it is not practical to allocate their remuneration to individual Group companies.

The Company had no employees during the current or previous years.

6. Tax on result on ordinary activities

The tax position comprises:

	2015 £'000	2014 £'000
Current tax		
United Kingdom corporation tax at 20.25% (2014: 21.5%) based on result for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Deferred tax

There is no provided or unprovided deferred tax in either the current or previous financial year.

There is no difference between the total tax position as shown above and the amount calculated by applying the average standard rate of UK corporation tax to the result before tax.

Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

7. Investments

	Investments in subsidiary undertakings £'000
Cost and net book value	
At 1 January 2015 and at 31 December 2015	<u>20</u>

The Company beneficially owns the entire issued share capital of the following company:

Name of company	Country of incorporation	Nature of business
FCC Wrexham PFI Limited	England and Wales	Waste management services

On 2 May 2007, the Company gave a debenture over all of its present and future assets, rights and undertaking (including its investment in the share capital of FCC Wrexham PFI Limited) to Norddeutsche Landesbank Girozentrale (London Branch) under a Credit Agreement in connection with the Wrexham Waste PFI Project.

8. Debtors: amounts due within one year

	2015 £'000	2014 £'000
Unsecured subordinated loan notes issued by FCC Wrexham PFI Limited	115	115
Accrued interest on unsecured subordinated loan notes issued by FCC Wrexham PFI Limited	<u>69</u>	<u>-</u>
	<u>184</u>	<u>115</u>

The subordinated loan notes in FCC Wrexham PFI Limited have a final redemption date of 30 September 2032 and bear interest at a fixed rate of 10% per annum.

9. Debtors: amounts due after more than one year

	2015 £'000	2014 £'000
Unsecured subordinated loan notes issued by FCC Wrexham PFI Limited	<u>2,621</u>	<u>2,736</u>

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

10. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Unsecured subordinated loan notes issued to FCC PFI Holdings Limited	115	115
Accrued interest on unsecured subordinated loan notes issued to FCC PFI Holdings Limited	69	-
	<u>184</u>	<u>115</u>

11. Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Unsecured subordinated loan notes issued to FCC PFI Holdings Limited	<u>2,621</u>	<u>2,736</u>

Further details regarding the interest rates payable and maturity profile of the amounts due to parent undertaking are included below in note 12.

12. Loans and borrowings

	2015 £'000	2014 £'000
Unsecured subordinated loan notes issued to FCC PFI Holdings Limited	<u>2,736</u>	<u>2,851</u>

The subordinated loan notes issued to the immediate parent company FCC PFI Holdings Limited are have a final redemption date of 30 September 2032 and bear interest at a fixed rate of 10% per annum.

	2015 £'000	2014 £'000
Maturity profile		
Due within one year	115	115
Between one and two years	128	116
Between two and five years	386	395
Due after more than five years	<u>2,107</u>	<u>2,225</u>
	<u>2,736</u>	<u>2,851</u>

The amounts due after more than five years are payable in instalments of varying amounts, with the final amount payable due on 30 September 2032.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements For the year ended 31 December 2015

13. Called-up share capital and reserves

	2015	2014
	£	£
Called up, allotted and fully paid		
20,065 ordinary share of £1 each	20,065	20,065
35 non-voting shares of £1 each	35	35
	<u>20,100</u>	<u>20,100</u>

The rights attaching to the respective classes of shares are as follows:

Voting

Ordinary Shares shall confer on each holder the right to receive notice, to attend, speak and vote at all general meetings.

Non-voting shares shall confer on each holder the right to receive notice, to attend and speak at all general meetings but shall not confer the right to vote.

Income and Capital

As regards income and capital, the ordinary shares and non-voting shares shall rank pari passu in all respects. Consequently, both classes of shares have been treated as equity shares.

Other reserves

The profit and loss reserve represents cumulative profits or losses.

14. 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.

Under FRS 101, the company is exempt from disclosing related party transactions with other wholly owned subsidiaries of FCC.

15. Controlling party

The immediate parent of the Company is FCC PFI Holdings 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 and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements of 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.