

Company Registration No. 05567332

WRG Wrexham PFI Holdings Limited

Report and Financial Statements

31 December 2011

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WRG Wrexham PFI Holdings Limited

Report and financial statements 2011

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WRG Wrexham PFI Holdings Limited

Report and financial statements 2011

Officers and professional advisers

Directors

P Taylor
V F Orts-Llops
A Serrano Minchan

Joint Company Secretary

V Bunton
C Favier-Tilston

Registered Office

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

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

WRG Wrexham PFI Holdings Limited

Directors' report

The Directors of WRG Wrexham PFI Holdings Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activity 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.

Results

The results for the year are set out on page 6. The Company made neither a profit nor a loss during the year (2010: £nil). No dividend payment was proposed by the Directors or paid during the year (2010: nil).

There were no movements in shareholders' funds during the year (2010: no movements).

Waste Recycling Group Limited ("WRG"), a fellow subsidiary undertaking of the Company's ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A. ("FCC"), domiciled in the UK, manages its operations on a divisional basis. 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.

Directors

The Directors who served as directors of the Company during the year ended 31 December 2011 and up to the date of this report were as follows:

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.

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, have continued to adopt the going concern basis in preparing the accounts. Full details of the going concern considerations can be found in note 1 of the notes to the financial statements.

Financial risk management

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

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and 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").

WRG Wrexham PFI Holdings Limited

Directors' report (continued)

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

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

A handwritten signature in black ink, appearing to be 'V Bunton', written over a horizontal line.

V Bunton
Joint Company Secretary

23 April 2012

WRG Wrexham PFI Holdings Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK 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 their profit or loss for that period. In preparing the financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable 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 and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

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 Wrexham PFI Holdings Limited

We have audited the financial statements of WRG Wrexham PFI Holdings Limited for the year ended 31 December 2011, which comprise of the profit and loss account, the balance sheet and the related notes 1 to 12. 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implication of 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 2011 and of its result 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.

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.



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

23 April 2012

WRG Wrexham PFI Holdings Limited

Profit and loss account Year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Interest receivable on loan note in subsidiary company		324	325
Interest payable on loan note to parent company		(324)	(325)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
Result for the financial year	10	-	-
		<hr/> <hr/>	<hr/> <hr/>

All results are derived from continuing operations

There are no recognised gains and losses in either the current or 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 Wrexham PFI Holdings Limited

Balance sheet at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	4	20	20
Current assets			
Debtors amounts due after more than one year	5	3,245	3,248
Debtors amounts due within one year	6	-	410
		<u>3,245</u>	<u>3,658</u>
Creditors: amounts falling due within one year	7	-	(410)
		<u>3,245</u>	<u>3,248</u>
Net current assets			
		<u>3,245</u>	<u>3,248</u>
Total assets less current liabilities		<u>3,265</u>	<u>3,268</u>
Creditors: amounts falling due after more than one year	8	(3,245)	(3,248)
		<u>20</u>	<u>20</u>
Net assets			
Capital and reserves			
Called up share capital	9	20	20
Profit and loss account	10	-	-
		<u>20</u>	<u>20</u>
Shareholders' funds	10	<u>20</u>	<u>20</u>

The financial statements of WRG Wrexham PFI Holdings Limited, registered number 05567332 were approved by the Board of Directors on 23 April 2012

Signed on behalf of the Board of Directors



V F Orts-Llopis
Director

WRG Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2011

1. Accounting policies

These financial statements are prepared in accordance with applicable United Kingdom 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

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, have continued to adopt the going concern basis in preparing the 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 a wholly owned subsidiary of 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 a subsidiary of a group which has prepared consolidated financial statements. Accordingly, these financial statements present information about the Company and not the Group

Investments

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

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 Group'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

WRG Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2011

2. Profit on ordinary activities before tax

Auditor's remuneration in respect of audit fees totalling £1,000 (2010 £1,000) has been borne by Waste Recycling Limited, a fellow subsidiary of FCC

3. Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Corporation tax		
United Kingdom corporation tax at 26.5% (2010 28%)	-	-

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 current tax position as shown above and the amount calculated by applying the standard date of UK corporation tax to the profit before tax

A number of changes to the UK Corporation Tax system were announced in the March 2011 Budget Statement. The Finance Act 2011 enacted on 19 July 2011 included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 and a further reduction from 26% to 25% from 1 April 2012.

Further reductions to the main rate were announced in the 2012 Budget Statement during March 2012. The main rate will fall by a further 1% from 25% to 24% from 1 April 2012 and by an additional 1% per annum to 22% by 1 April 2014. As these changes had not been substantively enacted at the balance sheet date they are not included in these financial statements.

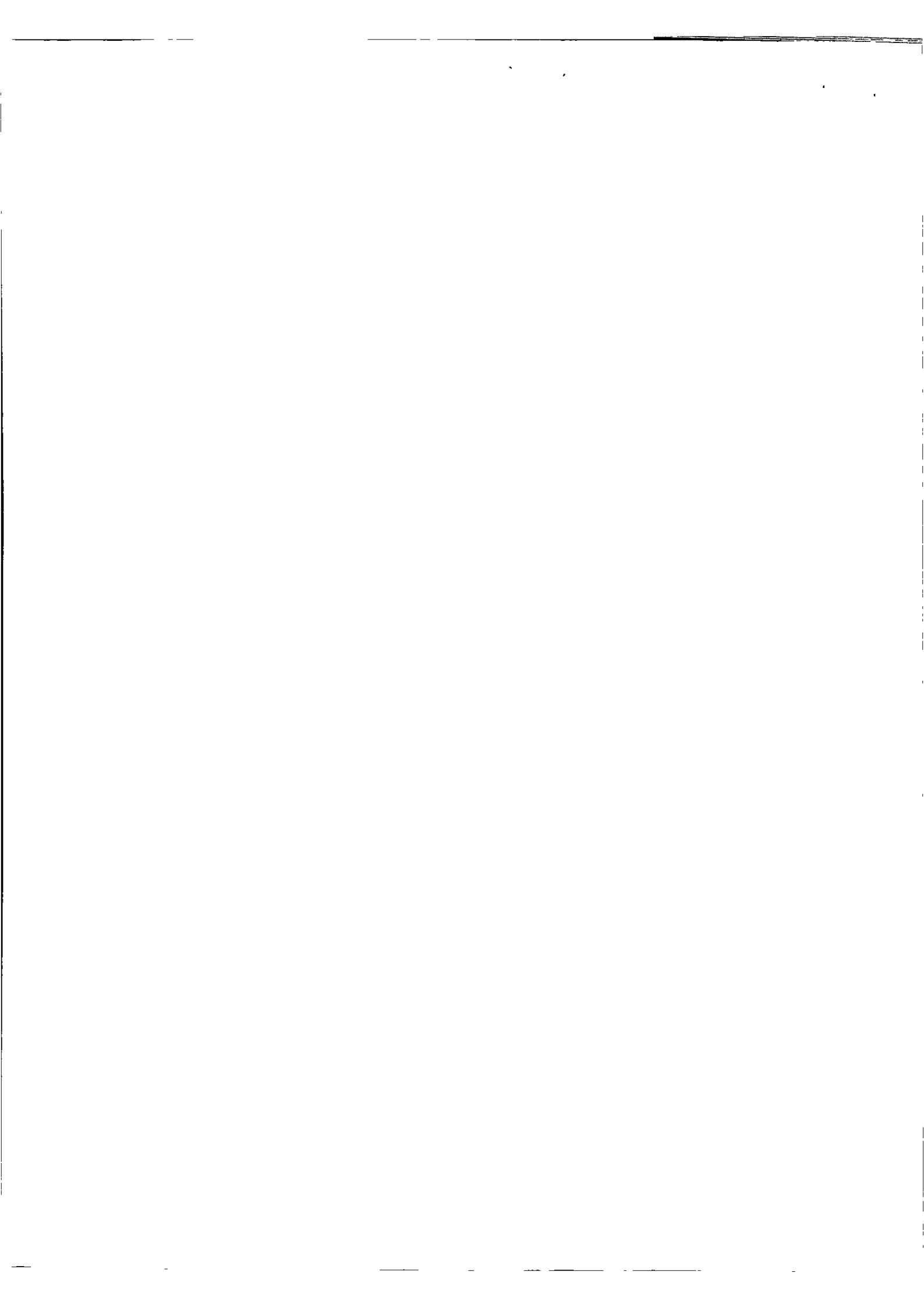
4. Investments

	Investments in subsidiary undertakings £'000
Cost	
At 1 January 2011 and 31 December 2011	20

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

Name of company	Country of incorporation	Nature of business
WRG Wrexham PFI Limited	England and Wales	PFI Contract Management

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 WRG Wrexham PFI Limited) to Norddeutsche Landesbank Girozentrale (London Branch) under a Credit Agreement in connection with the Wrexham Waste PFI Project.



WRG Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2011

5. Debtors: amounts due after more than one year	2011	2010
	£'000	£'000
Unsecured subordinated loan notes in WRG Wrexham PFI Limited	<u>3,245</u>	<u>3,248</u>

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

6. Debtors: amounts due within one year	2011	2010
	£'000	£'000
Unsecured subordinated loan notes in WRG Wrexham PFI Limited	<u>-</u>	<u>410</u>

7. Creditors: amounts falling due within one year	2011	2010
	£'000	£'000
Unsecured subordinated loan notes issued to WRG PFI Holdings Limited	<u>-</u>	<u>410</u>

8. Creditors: amounts falling due after more than one year	2011	2010
	£'000	£'000
Unsecured subordinated loan notes issued to WRG PFI Holdings Limited	<u>3,245</u>	<u>3,248</u>

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

9. Share capital	2011	2010
	£	£
Authorised, called up and allotted		
20,065 ordinary shares of £1 each (2010 20,065 ordinary shares of £1 each)	20,065	20,065
35 non-voting shares of £1 each (2010 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

WRG Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2011

10. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Result for the financial year	-	-
Net movement in shareholders' funds	-	-
Opening shareholders' funds	20	20
Closing shareholders' funds	20	20

11. 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.

12. Ultimate parent company

The immediate parent of the Company is WRG 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 entity and Esther Koplowitz Romero de Juseu to be the ultimate 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 accounts 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.