

Company Registration No. 05567332

FCC Wrexham PFI Holdings Limited

Report and Financial Statements

31 December 2014

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FCC Wrexham PFI Holdings Limited

Report and financial statements 2014

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FCC Wrexham PFI Holdings 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
Northamptonshire
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

Overview of Group

FCC Wrexham PFI Holdings Limited (“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, South and Central America, Africa, the Middle East and the United States of America. FCC’s principal activities cover Environmental Services (including 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 complement 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 the European Waste Framework Directive; 50% of all municipal waste will have to be recycled by 2020 and the European Union’s target that 20% of all energy consumed should be from a renewable source by 2020. 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 Board’s strategy is to “Own the Waste” and to maximise the value of resource, produce renewable energy and to provide 360° solutions to its customers. The Board sees 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 waste management services and facilities. The Board remains of the view that Energy from Waste (“EfW”) will be a key component of some regional waste strategies 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 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.

Business review

The Directors consider that the Company’s business performance was satisfactory during 2014 despite the difficult and ongoing market conditions seen in recent years.

Commentary on the Company’s results is set out in the Results and dividends section.

Future trends and developments

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

FCC Wrexham PFI Holdings Limited

Strategic report (continued)

Results and dividends

The results for the year are set out on page 9. The Company made neither a profit nor a loss during the year (2013: £nil). No dividend payment was proposed by the Directors or paid during the year (2013: nil).

There were no movements in shareholder's funds during the year (2013: 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.

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 Board'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.
- **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.

FCC Wrexham PFI Holdings Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

- **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

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.

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. Full details of the going concern considerations can be found in note 1 of the notes to the financial statements.

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



C Nunn
Company Secretary

23 April 2015

FCC Wrexham PFI Holdings Limited

Directors' report

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

Directors

The Directors who served as directors of the Company during the year ended 31 December 2014 and up to the date of this report were as follows:

P Taylor
V F Orts-Llopis
A Serrano

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.

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").

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:



C Nunn
Company Secretary

23 April 2015

FCC Wrexham PFI Holdings 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 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 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 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.

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 FCC Wrexham PFI Holdings Limited

We have audited the financial statements of FCC Wrexham PFI Holdings 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 14. 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 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 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 (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.



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

27/1 April 2015

FCC Wrexham PFI Holdings Limited

Profit and loss account Year ended 31 December 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|--------------------------------------------------------|-------|---------------|---------------|
| Interest receivable on loan note in subsidiary company | | 295 | 304 |
| Interest payable on loan note to parent company | | (295) | (304) |
| | | <hr/> | <hr/> |
| Result on ordinary activities before taxation | 2 | - | - |
| Tax on result on ordinary activities | 4 | - | - |
| | | <hr/> | <hr/> |
| Result for the financial year | 12 | - | - |
| | | <hr/> <hr/> | <hr/> <hr/> |

All results for the year ended 31 December 2014 derive from 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.

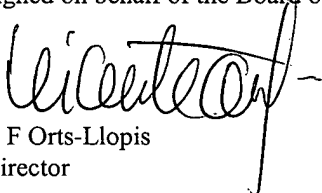
FCC Wrexham PFI Holdings Limited

Balance sheet at 31 December 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|----------------------------------------------------------------|-------|----------------|----------------|
| Fixed assets | | | |
| Investments | 5 | <u>20</u> | <u>20</u> |
| Current assets | | | |
| Debtors: amounts due within one year | 6 | 115 | 211 |
| Debtors: amounts due after more than one year | 7 | <u>2,736</u> | <u>2,851</u> |
| | | <u>2,851</u> | <u>3,062</u> |
| Creditors: amounts falling due within one year | 8 | (115) | (211) |
| Net current assets | | 2,736 | 2,851 |
| Total assets less current liabilities | | 2,756 | 2,871 |
| Creditors: amounts falling due after more than one year | 9 | <u>(2,736)</u> | <u>(2,851)</u> |
| Net assets | | <u>20</u> | <u>20</u> |
| Capital and reserves | | | |
| Called-up share capital | 11 | 20 | 20 |
| Profit and loss account | | - | - |
| Shareholder's funds | 12 | <u>20</u> | <u>20</u> |

The financial statements of FCC Wrexham PFI Holdings Limited, registered number 05567332 were approved by the Board of Directors and authorised for issue on 23 April 2015.

Signed on behalf of the Board of Directors


V F Orts-Llopis
Director

FCC Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

These financial statements are prepared in accordance with applicable law and 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, 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.

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 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.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2014

2. Result on ordinary activities before taxation

Auditor's remuneration in respect of audit fees totalling £1,000 (2013: £1,000) has been borne by FCC Recycling (UK) Limited, a fellow subsidiary of FCC.

3. Information regarding the Directors and employees

None of the Directors received any remuneration or benefits from the Company during the year ended 31 December 2014 (2013: £nil). They are remunerated as Directors or employees of the Company's fellow UK-domiciled subsidiary, FCC Environment (UK) Limited and it is not practical to allocate their remuneration to each subsidiary in the Group.

The Company had no employees during the current or previous financial year.

4. Tax on result on ordinary activities

| | 2014 | 2013 |
|--------------------------------------------------------|-------|-------|
| | £'000 | £'000 |
| Corporation tax | | |
| United Kingdom corporation tax at 21.5% (2013: 23.25%) | - | - |

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 average standard date of UK corporation tax to the result before tax.

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.

5. Investments

| | Investments in subsidiary undertakings £'000 |
|----------------------------------------|-------------------------------------------------------|
| Cost | |
| At 1 January 2014 and 31 December 2014 | 20 |

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

FCC Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2014

6. Debtors: amounts due within one year

| | 2014 £'000 | 2013 £'000 |
|-----------------------------------------------------------------------------------------|---------------|---------------|
| Unsecured subordinated loan notes issued by FCC Wrexham PFI Limited | 115 | 135 |
| Accrued interest on unsecured subordinated loan notes issued by FCC Wrexham PFI Limited | - | 76 |
| | <u>115</u> | <u>211</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.

7. Debtors: amounts due after more than one year

| | 2014 £'000 | 2013 £'000 |
|---------------------------------------------------------------------|---------------|---------------|
| Unsecured subordinated loan notes issued by FCC Wrexham PFI Limited | <u>2,736</u> | <u>2,851</u> |

8. Creditors: amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Unsecured subordinated loan notes issued to FCC PFI Holdings Limited | 115 | 135 |
| Accrued interest on unsecured subordinated loan notes issued to FCC PFI Holdings Limited | - | 76 |
| | <u>115</u> | <u>211</u> |

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

| | 2014 £'000 | 2013 £'000 |
|----------------------------------------------------------------------|---------------|---------------|
| Unsecured subordinated loan notes issued to FCC PFI Holdings Limited | <u>2,736</u> | <u>2,851</u> |

Further details regarding the interest rates payable and maturity profile of the amounts due to parent undertaking are included below in note 10.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2014

10. Borrowings

| | 2014 £'000 | 2013 £'000 |
|----------------------------------------------------------------------|---------------|---------------|
| Unsecured subordinated loan notes issued to FCC PFI Holdings Limited | <u>2,851</u> | <u>2,986</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.

| | 2014 £'000 | 2013 £'000 |
|--------------------------------|---------------|---------------|
| Maturity profile | | |
| Due within one year | 115 | 135 |
| Between one and two years | 116 | 116 |
| Between two and five years | 395 | 366 |
| Due after more than five years | <u>2,225</u> | <u>2,369</u> |
| | <u>2,851</u> | <u>2,986</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.

11. Called-up share capital

| | 2014 £ | 2013 £ |
|-------------------------------------------------------|---------------|---------------|
| Authorised, called-up, allotted and fully paid | | |
| 20,065 ordinary shares of £1 each | 20,065 | 20,065 |
| 35 non-voting shares of £1 each | <u>35</u> | <u>35</u> |
| | <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.

FCC Wrexham PFI Holdings Limited

Notes to the financial statements Year ended 31 December 2014

12. Reconciliation of movements in shareholder's funds

| | 2014 £'000 | 2013 £'000 |
|-------------------------------------|---------------|---------------|
| Result for the financial year | - | - |
| Net movement in shareholder's funds | - | - |
| Opening shareholder's funds | 20 | 20 |
| Closing shareholder's funds | 20 | 20 |

13. 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.

14. Ultimate parent company

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.