

# **Finstop Limited**

## **Directors' report and financial statements**

Registered number 3188850

31 December 2007

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## **Statutory information**

### **Directors**

JR Meredith  
LJD Cassells

### **Company secretary**

JM Bolton

### **Joint company secretary**

C Favier-Tilston

### **Registered office**

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

### **Auditors**

KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## Directors' report

The directors (the "Directors") of Finstop Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activity

The principal activity of the Company throughout the financial year ended 31 December 2007 and the previous financial year is that of an investment holding company

### Results and dividends

The profit for the financial year ended 31 December 2007 amounted to £nil (2006 £14,000,000)

The Directors do not propose the payment of a dividend (2006 £14,000,000) and thus £nil (2006 £nil) has been transferred to reserves

### Directors

The Directors who served as directors of the Company during the year ended 31 December 2007 and up to the date of this report were as follows

JR Meredith  
LJD Cassells  
SN Hardman (resigned 30 April 2008)

### Elective Regime

On 9 May 2006 the Company passed elective resolutions in accordance with section 379A of the Companies Act 1985 as amended (the "Act") to dispense with the formalities of

- the laying of accounts and reports before the Company in general meeting (section 252 of the Act),
- the holding of annual general meetings (section 366A of the Act), and
- the obligation to appoint auditors annually (section 386 of the Act)

Section 253(2) gives members the right to require the laying of accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with section 238(1) of the Act

### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

### Auditors

Pursuant to a shareholders' elective resolution passed on 9 May 2006, the Company is not obliged to re-appoint its auditors annually and KPMG LLP will therefore continue in office

By order of the board



**JM Bolton**  
Company Secretary

8 May 2008

## **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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



KPMG LLP  
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Leeds  
LS1 4DW

## **Independent auditors' report to the members of Finstop Limited**

We have audited the financial statements of Finstop Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the members of Finstop Limited (*continued*)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP  
Chartered Accountants  
Registered Auditor

14 May 2008

## Profit and loss account

*year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> <b>£000</b>	2006 £000
Income from shares in group undertaking		-	14,000
<b>Profit for the financial year</b>	<b>7</b>	<b>-</b>	<b>14,000</b>

All results are derived from continuing operations

There are no recognised gains and losses in either the financial year ended 31 December 2007 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.

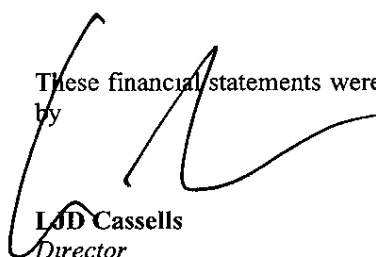
There is no material difference between the profit on a historical cost basis and that shown in the profit and loss account.



**Balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>2007</b> <b>£000</b>	<b>2006</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	4	<b>16,696</b>	16,696
<b>Creditors: amounts falling due within one year</b>	5	<b>(1,431)</b>	(1,431)
<b>Total assets less current liabilities and net assets</b>		<b>15,265</b>	15,265
<b>Capital and reserves</b>			
Called up share capital	6	<b>15,265</b>	15,265
<b>Equity shareholders' funds</b>	7	<b>15,265</b>	15,265

These financial statements were approved by the board of Directors on 8 May 2008 and were signed on its behalf by

  
**IJD Cassells**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards

The following accounting policies have been applied consistently 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*

The ability of the Company to continue trading in the foreseeable future is largely dependent on the continued support of the parent company. The Company's immediate parent company, Waste Recycling Group Limited, has indicated that it intends to provide such funds as are necessary for the Company to continue to trade for the foreseeable future and accordingly the Directors consider that the financial statements should be prepared on a going concern basis

#### *Cash flow exemption*

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

#### *Group accounts*

The Company has claimed exemption from the preparation of consolidated financial statements under section 228 of the Companies Act 1985 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

### 2 Information regarding Directors and Employees

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2007 or the year ended 31 December 2006. They are all remunerated as Directors or employees of Waste Recycling Group Limited, the parent company of the Company. The Company had no employees during the financial year ended 31 December 2007 or the previous financial year

### 3 Dividends

	2007 £000	2006 £000
Interim dividend paid of £nil (2006 £0.92) per ordinary share	-	14,000

### 4 Fixed asset investment

	2007 £000	2006 £000
<b>Shares in subsidiary undertakings</b>		
Cost and net book value	16,696	16,696

The Company holds 100% of the issued ordinary share capital of Darrington Quarries Limited, a company which is registered in England and Wales. Its principal activities are that of quarrying and landfill management

## Notes (continued)

### 5 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Amounts owed to subsidiary undertaking	1,431	1,431

### 6 Called up share capital

	2007 £000	2006 £000
<i>Authorised, allotted, called up and fully paid</i> 15,264,769 (2006 15,264,769) ordinary shares of £1 each	15,265	15,265

### 7 Reconciliation of movement in shareholders' funds

	2007 £000	2006 £000
Profit for the financial year	-	14,000
Dividends	-	(14,000)
Net additions to shareholders' funds	-	-
Opening shareholders' funds	15,265	15,265
Closing shareholders' funds	15,265	15,265

### 8 Contingent liabilities

- a) The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group
- b) On 21 December 2006, the Company was a party to the refinancing of Azincourt Investment, SL "Azincourt" and its subsidiary companies. Azincourt was the company used by Fomento de Construcciones y Contratas, S A for the acquisition of Waste Recycling Group Limited and its subsidiary undertakings including the Company. The Company agreed to advance funds to Azincourt under the Group's cash pooling arrangements for the purposes, of among other things, the repayment of principal, interest or other amounts under the Facility Agreement, or the payment of any other costs or expenses incurred by Azincourt directly or indirectly in connection with its acquisition of Waste Recycling Group Limited. The Company also entered into a floating charge over all its present and future rights, titles and interest to the cash pooling account and all amounts credited to it in its favour. The Facility Agreement was amended on 27 March 2007 principally reducing the level of the Facility and on 22 June 2007 primarily to extend a deadline for the release of an escrow account fund from the EA.

### 9 Related party transactions

In the ordinary course of business, the Company also traded with fellow subsidiaries of Waste Recycling Group Limited.

In the period prior to the change in the Company's ultimate parent undertaking on 27 September 2006, the Company also traded with fellow subsidiaries of WRG Holdings Limited (renamed Infinis Holdings Limited).

The Company has taken advantage of the exemption conferred by FRS 8 from disclosing details of these transactions.

**Notes** *(continued)*

**10 Ultimate parent company**

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

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