

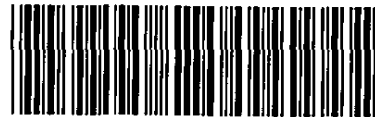
Finstop Limited

Directors' report and financial statements

Registered number 3188850

31 December 2008

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Contents

Statutory information	1
Directors' report	2
Statement of Directors' responsibilities	3
Independent auditors' report to the members of Finstop Limited	4
Profit and loss account	6
Balance sheet	6
Notes	7

Statutory information

Directors

JR Meredith
LJD Cassells

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 2008.

Principal activity

The principal activity of the Company throughout the financial year ended 31 December 2008 and the previous financial year is that of an investment holding company.

Results and dividends

The profit for the financial year ended 31 December 2008 amounted to £nil (2007: £nil).

The Directors do not propose the payment of a dividend (2007: £nil) and thus £nil (2007: £nil) has been transferred to reserves.

Directors

The Directors who served as directors of the Company during the year ended 31 December 2008 and up to the date of this report were as follows:

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

Companies Act 2006

Under the Companies Act 2006 there is no longer a statutory requirement to hold an annual general meeting of the Company or to lay accounts and reports before the Company in general meeting for approval.

The Company is therefore no longer required to fulfil its obligations under the elective resolutions that were in place at previous year ends.

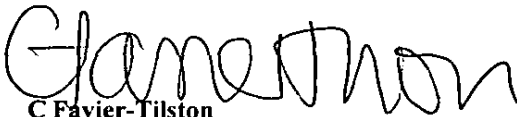
Disclosure of information to auditors

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 section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed annually by the Company and KPMG LLP will therefore continue in office until further notice.

By order of the board


C Favier-Tilston
Company Secretary

27 April 2009

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
1 The Embankment
Neville Street
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 2008 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.

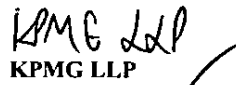
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2008 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
Chartered Accountants
Registered Auditor

29 April 2009

Profit and loss account

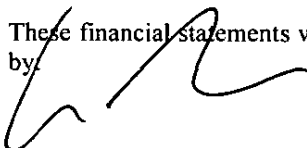
The Company has not traded in either the year ended 31 December 2008, or the year ended 31 December 2007, and consequently the company has made neither a profit or loss, nor any other recognised gain or loss.

Balance sheet

at 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Fixed assets			
Investments	3	16,696	16,696
Creditors: amounts falling due within one year	4	(1,431)	(1,431)
Total assets less current liabilities and net assets		15,265	15,265
Capital and reserves			
Called up share capital	5	15,265	15,265
Equity shareholders' funds		15,265	15,265

These financial statements were approved by the board of Directors on 27 April 2009 and were signed on its behalf by:



LJD 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 financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £1,431,000 which the Directors believe to be appropriate for the following reasons.

The ability of the Company to continue trading in the foreseeable future is largely dependant on the continued support of the Company's parent company, Waste Recycling Group Limited, which has indicated that it intends to provide such funds as are necessary for the Company to continue to trade for the foreseeable future. The directors of Waste Recycling Group Limited make the following statements in their financial statements for the year ended 31 December 2008 which were approved in March 2009:

"The Group meets its day to day working capital requirements through a £70m revolving credit facility which is due for renewal in November 2009 and we shall commence renewal discussions in due course. In addition the Group has various long-term intercompany loans totalling £149.8m. The earliest Group loan is repayable in 2021.

A Group subsidiary, Kent Enviropower Limited ("KEL"), has a project facility of £123.4m which is secured on the assets of the subsidiary only and the funding banks have no recourse to the rest of the Group.

Under the terms of the credit agreement between KEL and the project finance funding banks, the EPC contractor had obtained the take over certificate for the plant on 24 December 2008, subsequent to the long stop date for completion of 4 April 2008. Whilst there is no agreement on the necessary waiver to the Credit Agreement as at the date of the accounts, the debt is payable on demand and this has led to the need to re-state 100% of the non-recourse loan as a current liability within these accounts.

In March 2009, KEL and the syndicate banks reached an agreement on conditions and wording for a waiver agreement, thereby re-instating the loan with some amendments to margins and fees. This will allow £119.1m of the loan to be re-classified within long-term liabilities in the future.

Current economic conditions create uncertainty particularly over sales volumes and pricing. The Group has reported an operating loss for the year and, whilst the Directors have implemented measures to preserve cash and secure additional funding, these circumstances create uncertainties over future trading results and cash flows.

After making enquiries and discussions with the ultimate holding company, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue trading for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts."

The Directors of the Company consider that the commitments made by Waste Recycling Group Limited should enable 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.

Notes (continued)

1 Accounting policies (continued)

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 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.

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 2008 or the year ended 31 December 2007. 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 2008 or the previous financial year.

3 Fixed asset investment

	2008 £000	2007 £000
Shares in subsidiary undertakings		
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.

4 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to subsidiary undertaking	1,431	1,431

5 Called up share capital

	2008 £000	2007 £000
Authorised, allotted, called up and fully paid		
15,264,769 (2007: 15,264,769) ordinary shares of £1 each	15,265	15,265

Notes (continued)

6 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, S.L. "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.

7 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.