

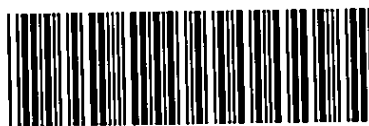
# **Enviropower Investments Limited**

Directors' report and financial  
statements

Registered number 5024248

31 December 2008

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## **Statutory information**

### **Directors**

JL de la Torre Sanchez  
J Liebana Alcantarilla  
T Nunez Vega

### **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 Enviropower Investments 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 is that of the financing of Kent Enviropower Limited, a fellow subsidiary undertaking of the Company's ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A. ("FCC")

### Results and dividends

The result for the year ended 31 December 2008 is set out on page 6. The Company made neither a profit or a loss during the year (2007: *£nil*). The Directors do not recommend the payment of a dividend (2007: *£nil*).

### Directors and Directors' interests

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:

JL de la Torre Sanchez  
J Liebana Alcantarilla  
T Nunez Vega

### Charitable and political donations

No political or charitable donations were made by the Company during the year ended 31 December 2008 (2007: *£nil*).

### 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 "Act"), the auditors will be deemed to be reappointed annually by the Company and KPMG LLP will therefore continue in office until further notice.

### Companies Act 2006

Under the Act 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.

By order of the Board



C Favier-Tilston  
Company Secretary

31 July 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 Enviropower Investments Limited**

We have audited the financial statements of Enviropower Investments 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.

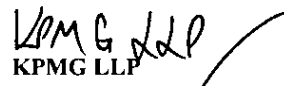
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

15 SEPTEMBER 2009

**Profit and loss account**  
*year ended 31 December 2008*

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>Operating profit</b>		-	-
Interest receivable and similar income	4	2,010	1,346
Interest payable and similar charges	5	(2,010)	(1,346)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	-	-
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	12	-	-
		<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.

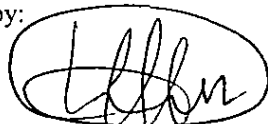
There is no material difference between the loss on a historical cost basis and that shown in the profit and loss account.



**Balance sheet**  
*at 31 December 2008*

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>Current assets</b>			
Debtors: amounts due within one year	7	-	18,050
Debtors: amounts due after more than one year	8	20,060	-
		<u>20,060</u>	<u>18,050</u>
<b>Creditors: amounts falling due within one year</b>	9	-	(18,050)
<b>Net current assets</b>		<u>20,060</u>	<u>-</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(20,060)	-
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	-	-
<b>Equity shareholders' funds</b>	13	<u>-</u>	<u>-</u>

These financial statements were approved by the board of Directors on 31 July 2009 and were signed on its behalf by:



**T Nunez Vega**  
*Director*

## Notes

*(forming part of the financial statements)*

### 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 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.

#### *Cash flow exemption*

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

#### *Going concern*

Under the terms of a subordinated facility agreement, the Company is owed an amount of £20,060,000 by a fellow subsidiary undertaking of the Company's ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A. ("FCC"), Kent Enviropower Limited ("KEL")

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 was no agreement on the necessary waiver to the Credit Agreement as at 31 December 2008, the debt was payable on demand and led to the need to re-state 100% of the non-recourse loan as a current liability within the accounts of KEL for the year ended 31 December 2008..

On 9 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. Accordingly, the financial statements of KEL have been prepared on a going concern basis. If the going concern assumption had not been appropriate it may have been necessary to adjust the carrying value of the Company's loan to KEL.

### 2 Profit on ordinary activities before taxation

Auditors' remuneration in respect of audit fees has been borne by Waste Recycling Limited, a fellow subsidiary undertaking of Fomento de Construcciones y Contratas, S.A.

### 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 2008 or the year ended 31 December 2007. The Directors are remunerated by its immediate parent company, Fomento de Construcciones y Contratas, S.A. The Company had no employees during the current or previous financial year.

### 4 Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable on loan to Kent Enviropower Limited	2,010	1,346

**Notes (continued)**

**5 Interest payable and similar charges**

	2008 £000	2007 £000
Interest payable to The Royal Bank of Scotland PLC	-	142
Interest payable on loan from Fomento de Construcciones y Contratas, S.A.	2,010	1,204
	<u>2,010</u>	<u>1,346</u>

**6 Tax on profit on ordinary activities**

	2008 £000	2007 £000
<b>Corporation tax</b>		
United Kingdom corporation tax at 28.5% (2007: 30%)	-	-
	<u>-</u>	<u>-</u>
Total current tax charge	-	-

**7 Debtors: amounts due within one year**

	2008 £000	2007 £000
Amount owed from related party - Kent Enviropower Limited	-	18,050
	<u>-</u>	<u>18,050</u>

**8 Debtors: amounts due after more than one year**

	2008 £000	2007 £000
Amount owed from related party - Kent Enviropower Limited	20,060	-
	<u>20,060</u>	<u>-</u>

The subordinated facility agreement (the "Subordinated Facility") dated 29 March 2004 (as amended from time to time), between the Company and Kent Enviropower Limited ("KEL") for a principal amount of £16,554,375 provides for the payment of interest by KEL to the Company. The rate payable until 17 April 2008 was 1% per annum above LIBOR in line with a term loan agreement (the "Facility") between the Company and Fomento de Construcciones y Contratas, S.A., the Company's ultimate parent company (see note 9). On 18 April 2008 the Subordinated Facility was amended and the loan is now repayable in full on 31 March 2030, with interest charged at a fixed rate of 12.5%.

## Notes (continued)

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

	2008 £000	2007 £000
Amount owed to related party - Fomento de Construcciones y Contratas, S.A.	-	18,050

Until 17 April 2008 the Company was charged interest under a term loan agreement between the Company and Fomento de Construcciones y Contratas, S.A. for a principal amount of £16,554,375, (the "Facility") at a rate of 1% per annum above LIBOR. On 23 April 2008, the Facility was amended and with effect from 18 April 2008, interest is charged at a fixed rate of 12.5% in line with the Subordinated Facility (see note 8). Under the amended Facility, the loan is now repayable on 31 March 2030.

### 10 Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Amount owed to related party - Fomento de Construcciones y Contratas, S.A.	20,060	-
	<u>20,060</u>	<u>-</u>

### 11 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

### 12 Reserves

	Profit and loss account £000
As at 1 January 2008	-
Profit for the financial year	-
	<u>-</u>
<b>At 31 December 2008</b>	<u>-</u>

**Notes (continued)**

**13 Reconciliation of movement in shareholders' funds**

	2008 £000	2007 £000
Profit for the financial year	-	-
Opening shareholders' funds	-	-
	<hr/>	<hr/>
Closing shareholders' funds	-	-
	<hr/>	<hr/>

**14 Related party transactions**

Waste Recycling Group Limited is a related party as both it and the Company have the same ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A.

Auditors' remuneration in respect of audit fees has been borne by Waste Recycling Limited, a subsidiary of Waste Recycling Group Limited.

Kent Enviropower Limited is a related party as both it and the Company have the same ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A.

**15 Ultimate parent company**

The Company's immediate parent company is Fomento de Construcciones y Contratas, S.A., a company that is registered in Spain.

The Directors regard Fomento de Construcciones y Contratas, S.A. as the ultimate controlling party and the ultimate parent entity.

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.