

Enviropower Investments Limited

Directors' report and financial statements

Registered number 5024248

31 December 2009



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Statutory information

Directors

P Taylor
VF Orts-Llopis
JL de la Torre Sanchez
J Liebana Alcantarilla
T Nunez Vega

Joint Company Secretary

C Favier-Tilston
C De Feo

Registered office

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

Auditors

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

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 2009

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")

Directors and Directors' interests

The Directors who served as directors of the Company during the year ended 31 December 2009 and up to the date of this report were as follows

P Taylor	(appointed 1 December 2009)
VF Orts-Llopis	(appointed 1 December 2009)
JL de la Torre Sanchez	
J Liebana Alcantarilla	
T Nunez Vega	
J Meredith	(appointed 1 August 2009 and resigned 27 November 2009)
L Cassells	(appointed 1 August 2009 and resigned 30 November 2009)

Results and dividends

The result for the year ended 31 December 2009 is set out on page 6. The Company made neither a profit nor a loss during the year (2008 £nil). The Directors do not recommend the payment of a dividend (2008 £nil).

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 Waste Recycling Group Limited ("WRG"), a fellow subsidiary company of FCC, domiciled in the UK.

Going Concern

The Directors continue to adopt the going concern basis in preparing the Directors' report and financial statements. Full details of the going concern statement can be found in note 1 of the notes to the financial statements.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk, liquidity risk and price risk. Due to the nature of the Company's activities, and the assets contained within the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are liquidity and credit risk.

Liquidity and credit risk

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

Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' report confirms 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 in order to make himself aware of any relevant audit information and to establish that the Company's auditors are 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").

Directors' report *(continued)*

Auditors

During the year KPMG LLP resigned as auditors and Deloitte LLP ("Deloitte") were appointed as auditors to the Company. Pursuant to Section 487 of the Act, Deloitte will be deemed to be reappointed as auditors until further notice.

By order of the Board of Directors on *26 May* 2010



C De Feo
Joint Company Secretary

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 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

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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 auditors' 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

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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the 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.

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 2009 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 other matter prescribed by the Companies Act 2006

In our opinion the information given 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 Auditors
London, United Kingdom

3 June 2010

Profit and loss account

year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Operating profit			-
Interest receivable and similar income	4	2,304	2,010
Interest payable and similar charges	5	(2,304)	(2,010)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Result for the financial year	11	<hr/> <hr/>	<hr/> <hr/>

All results are derived from continuing operations

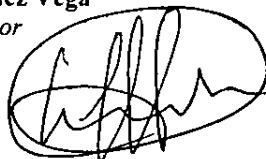
There are no recognised gains and losses in either the current or previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.

Balance sheet
at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Current assets			
Debtors amounts due after more than one year	7	22,364	20,060
Net current assets		22,364	20,060
Creditors amounts falling due after more than one year	8	(22,364)	(20,060)
Net assets		-	-
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	-	-
Equity shareholders' funds	11	-	-

These financial statements were approved by the board of Directors (registered number 5024248) on 26 May 2010 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

As described in note 7, the Company is owed an amount of £22,364,000 by Kent Enviropower Limited ("KEL"), a fellow subsidiary undertaking of the Company's ultimate parent undertaking, Fomento de Construcciones y Contratas, S A ("FCC"), and as described in note 8, the Company owes an equal amount to FCC

The capital amounts under both agreements are not repayable until 31 March 2030, and any interest due to be paid by the Company is not payable until the corresponding amount has been received from KEL. No other payments are forecast to be made in the foreseeable future

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 FCC

3 Information regarding the Directors and employees

None of the Directors received any remuneration or benefits in respect of services to the Company during the year ended 31 December 2009 or the year ended 31 December 2008. The Directors are remunerated by its immediate parent company, FCC or Waste Recycling Group Limited, a UK domiciled subsidiary of FCC. The Company had no employees during the current or previous financial year

4 Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable on loan to KEL	2,304	2,010

Notes (continued)

5 Interest payable and similar charges

	2009 £000	2008 £000
Interest payable on loan from Fomento de Construcciones y Contratas, S A	2,304	2,010

6 Tax on profit on ordinary activities

	2009 £000	2008 £000
Corporation tax		
United Kingdom corporation tax at 28% (2008 28.5%)	-	-
Total current tax charge	-	-

There is no difference between the total current tax charge as shown above and the amount calculated by applying the standard date of UK corporation tax to the profit before tax

7 Debtors amounts due after more than one year

	2009 £000	2008 £000
Amount owed from related party - Kent Enviropower Limited	22,364	20,060

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 8). 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%.

KEL has a project finance facility of £119.1 million, the terms of which include a number of covenants. In October 2009, KEL failed to achieve the required Historical Debt Service Cover Ratio, thereby causing the debt to become repayable on demand. However, negotiations between KEL and the funding banks to agree a waiver to the Credit Agreement are underway and the Directors of KEL are confident that agreement on such a waiver will be reached in due course. The Directors of the Company therefore do not consider that it is necessary to adjust the carrying value of the Company's loan to KEL.

Notes (continued)

8 Creditors amounts falling due after more than one year

	2009 £000	2008 £000
Amount owed to related party - Fomento de Construcciones y Contratas, S A	22,364	20,060

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 7). Under the amended Facility, the loan is now repayable on 31 March 2030.

9 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1

10 Reserves

	Profit and loss account £000
As at 1 January 2009	-
Result for the financial year	-
At 31 December 2009	-

11 Reconciliation of movement in shareholders' funds

	2009 £000	2008 £000
Result for the financial year	-	-
Opening shareholders' funds	-	-
Closing shareholders' funds	-	-

Notes *(continued)*

12 Related party transactions

The Company has taken advantage of the exemption offered by FRS 8 "Related party transactions" to not disclose transactions with FCC and its wholly owned subsidiaries

13 Ultimate parent company

The Directors regard FCC, a company that is registered in Spain, as the ultimate parent entity and Esther Koplowitz de Juseu to be the ultimate controlling party. Copies of the financial statements of FCC are available from the Company Secretary, Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7RG