

**WRG Wrexham PFI Holdings
Limited
(Formerly Intercede 2067 Limited)**

Directors' report and financial
statements

Registered number 05567332

For the period from 19 September 2005 to
31 December 2006

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Contents

Statutory information	1
Directors' report	2
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	4
Independent auditors' report to the members of WRG Wrexham PFI Holdings Limited	5
Profit and loss account	7
Balance sheet	7
Notes	8

Statutory information

Directors

JR Meredith
LJD Cassells
SN Hardman

Company secretary

JM Bolton

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 WRG Wrexham PFI Holdings Limited (the "Company") present their first annual report and the audited financial statements for the financial period from incorporation on 19 September 2005 to 31 December 2006

Principal activity

The principal activity of the Company is that of an investment holding company. The Company did not trade during the financial period.

Developments in the period

The Company was incorporated on 19 September 2005 as Intercede 2067 Limited but pursuant to a special resolution on 29 November 2005, its name was changed to WRG Wrexham PFI Holdings Limited.

Directors and their interests

The Directors who served as directors of the Company during the period ended 31 December 2006 and up to the date of this report were as follows:

JR Meredith	(appointed 19 June 2006)
LJD Cassells	(appointed 19 June 2006)
SN Hardman	(appointed 19 June 2006)
Mitre Secretaries Limited	(appointed 19 September 2005, resigned 19 June 2006)
Mitre Directors Limited	(appointed 19 September 2005, resigned 19 June 2006)

None of the Directors or connected persons who held office at 31 December 2006 held any interests in the share capital of the Company or any related Group undertaking at 31 December 2006.

Change in ownership

On 27 September 2006, the Company's ultimate parent company, WRG Holdings Limited (now Infinis Holdings Limited) sold its waste disposal business including the Company to Fomento de Construcciones y Contratas, S A, the leading Spanish construction and services group.

Elective regime

On 8 June 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)
- 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.

Charitable and political donations

No political or charitable donations were made during the period from 19 September 2005 to 31 December 2006.

Directors' report (*continued*)

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

During the period the Directors appointed KPMG LLP as auditors Pursuant to a shareholders' elective resolution passed on 8 June 2006, the Company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office

By order of the board



JM Bolton
Company Secretary

23 April 2007

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 WRG Wrexham PFI Holdings Limited (Formerly Intercede 2067 Limited)

We have audited the financial statements of WRG Wrexham PFI Holdings Limited (formerly Intercede 2067 Limited) for the period from 19 September 2005 (the date of incorporation) to 31 December 2006 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 4.

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 WRG Wrexham PFI Holdings Limited (Formerly Intercede 2067 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 2006 and of its result for the period from 19 September 2005 (the date of incorporation) to 31 December 2006,
- 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

23 April 2007

Profit and loss account

Period from 19 September 2005 to 31 December 2006

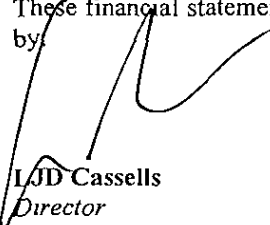
The Company has not traded during the financial period and consequently has made neither a profit or loss nor any other recognised gain or loss

Balance sheet

at 31 December 2006

	Note	2006 £
Fixed assets		
Investments	3	1
		<hr/>
Current assets		
Debtors	4	99
		<hr/>
Net current assets		99
		<hr/>
Net assets		100
		<hr/>
Capital and reserves		
Called up share capital	5	100
		<hr/>
Equity shareholders' funds	6	100
		<hr/>

These financial statements were approved by the Board of Directors on 23 April 2007 and were signed on its behalf by:


 IJD Cassells
 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 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 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 Profit on ordinary activities before tax

The Company did not trade during the financial period 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 Investments

	Investment in subsidiary undertaking £
<i>Cost</i>	
Additions in the period	1
	<hr/>
At 31 December 2006	1
	<hr/>

The Company beneficially owns the entire issued share capital of the following company

Name of company	Country of incorporation	Nature of business
WRG Wrexham PFI Limited	England and Wales	PFI Waste Management Contract

Notes (continued)

4 Debtors

	2006 £
Amounts due from group undertakings	64
Amounts due from related party undertaking	35
	<hr/>
	99
	<hr/>

5 Called up share capital

	2006 £
<i>Authorised, called up and allotted</i>	
65 ordinary shares of £1 each	65
35 non-voting shares of £1 each	35
	<hr/>
	100
	<hr/>

On incorporation, the authorised share capital of the Company comprised 100 Ordinary Shares of £1 each. The subscriber share was issued on 19 September 2005 at par. On 19 June 2006 the shareholders passed a written resolution re-designating 35 unissued ordinary shares of £1 each as non-voting shares of £1 each. On 28 July 2006 the Company allotted and issued 64 ordinary shares of £1 each and 35 non-voting shares of £1 each at par.

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 unless a breach has occurred not by the holder of the non-voting shares under the terms of a Shareholders Agreement dated 21 July 2006 between HLC Environmental Projects Limited, the Company and WRG PFI Holdings Limited or of the terms of the Company's articles of association. If such breach has not been remedied within 7 days of notice to the Company then the non-voting shares will have the right to vote at general meetings until such time that the breach of the Shareholders Agreement or articles of association is remedied or waived.

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.

Notes (continued)

6 Reconciliation of movements in shareholders' funds

	£
New share capital issued during the period	100
Net additions to shareholders' funds	100
Opening shareholders' funds	-
Closing shareholders' funds	100

7 Related party transactions

In the period prior to the change in the Company's ultimate parent undertaking on 27 September 2006, Terra Firma Investments (GP) 2 Limited, acting as general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L P -H and TFCP II Co-Investment 1LP ("Terra Firma"), had the ability to exercise a controlling influence over the Company through the holding of shares. The Directors therefore considered Terra Firma to be a related party.

Also prior to 27 September 2006, WRG Holdings Limited (now Infinis Holdings Limited) had the ability to exercise a controlling influence over the Company and other subsidiary undertakings, which are not members of the Group. The Directors therefore considered these other subsidiary undertakings of WRG Holdings Limited to be related parties. The Company did not trade while it was under its previous ownership.

The Directors regard all subsidiaries of Fomento de Construcciones y Contratas, S A ("FCC") as related parties.

On 28 July 2006 the Company issued 35 non-voting shares of £1 each to HLC Environmental Projects Limited ("HLC") constituting 35% of the Company's equity. The Directors therefore regard HLC as a related party.

There were no related party transactions during the period other than as disclosed in the notes to these financial statements.

8 Ultimate parent company

The immediate parent of the Company is WRG 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 controlling partner and 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.