

**WRG Wrexham PFI Holdings
Limited**

**Directors' report and financial
statements**

Registered number 05567332

For the year ended 31 December 2008

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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 WRG Wrexham PFI Holdings 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 an investment holding company. The Company did not trade during the year ended 31 December 2008 or during the previous year ended 31 December 2007.

Developments in the period

There were no developments during the financial year.

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 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.

Charitable and political donations

No political or charitable donations were made 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.

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
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Neville Street
Leeds
LS1 4DW

Independent auditors' report to the members of WRG Wrexham PFI Holdings Limited

We have audited the financial statements of WRG Wrexham PFI Holdings 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 WRG Wrexham PFI Holdings 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
KPMG LLP
Chartered Accountants
Registered Auditor

29 April 2009

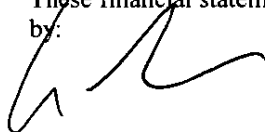
Profit and loss account
year ended 31 December 2008

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

Balance sheet
at 31 December 2008

	<i>Note</i>	2008 £	2007 £
Fixed assets			
Investments	3	20,100	20,100
Net assets		<u>20,100</u>	<u>20,100</u>
Capital and reserves			
Called up share capital	4	20,100	20,100
Equity shareholders' funds	5	<u>20,100</u>	<u>20,100</u>

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

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>	
At 1 January 2008 and at 31 December 2008	20,100

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

On 11 December 2007 the Company increased its investment in WRG Wrexham PFI Limited, purchasing an additional 20,099 £1 ordinary shares at par.

On 2 May 2007, the Company gave a debenture over all of its present and future assets, rights and undertaking (including its investment in the share capital of WRG Wrexham PFI Limited) to Norddeutsche Landesbank Girozentrale (London Branch) under a Credit Agreement in connection with the Wrexham Waste PFI Project.

Notes (continued)

4 Called up share capital

	2008 £	2007 £
Authorised, called up and allotted		
20,065 ordinary shares of £1 each (2007: 20,065 ordinary shares of £1 each)	20,065	20,065
35 non-voting shares of £1 each (2007: 35 non-voting shares of £1 each)	35	35
	<hr/>	<hr/>
	20,100	20,100
	<hr/>	<hr/>

On 11 December 2007, a resolution was passed to increase the authorised share capital of the Company to 20,100 by creating an additional 20,000 ordinary shares of £1 each. On 11 December 2007 the Company issued a further 20,000 ordinary shares of £1 each to its parent company, WRG PFI Holdings Limited.

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.

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.

5 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
New share capital issued during the period	-	20,000
	<hr/>	<hr/>
Net additions to shareholders' funds	-	20,000
Opening shareholders' funds	20,100	100
	<hr/>	<hr/>
Closing shareholders' funds	20,100	20,100
	<hr/>	<hr/>

6 Related party transactions

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 0.2% (2007: 0.2%) of the Company's equity. The Directors therefore regarded HLC as a related party. On 12 December 2007, these shares were purchased by WRG PFI Holdings Limited for £657,000, £307,000 of which was deferred.

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

Notes *(continued)*

7 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.