

Company Registration No. 06544559 (England and Wales)

WP MIDCO1 LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015



WP MIDCO1 LIMITED

COMPANY INFORMATION

Directors

G Baldock
P Mauguy
M Greenwood (Appointed 2 April 2015)

Secretary

A Firth

Company number

06544559

Registered office

Profile West
950 Great West Road
Brentford
Middlesex
TW8 9ES

Independent Auditors

PricewaterhouseCoopers LLP
3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH

WP MIDCO1 LIMITED

CONTENTS

	Page(s)
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 20

WP MIDCO1 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and audited financial statements for the Year ended 31 December 2015.

Principal activities

The Company is a holding company and does not trade. The directors consider that the Company will continue in this role for the foreseeable future.

Review of the business

During the year the Company, which is incorporated in the United Kingdom, continued to operate as a holding company.

The results for the Year are set out on page 6.

Principal risks and uncertainties

For information relating to the Group's principal risks and uncertainties please refer to the consolidated financial statements of the ultimate parent company.

On behalf of the board



M Greenwood

Director

21 June 2016

WP MIDCO1 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the audited financial statements for the Year ended 31 December 2015.

Going concern

The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business. The directors believe that the adoption of the going concern basis in the preparation of the financial statements is appropriate as the directors of the group headed by WP Safety-Kleen (Cayman) Limited, of which the Company is a member, have confirmed that it will provide the necessary financial support for 12 months from the date of approval of these financial statements. In concluding on the going concern basis, the directors have also considered the financial position of the WP Safety-Kleen (Cayman) Limited group, further details of which are disclosed in the consolidated financial statements of WP Safety-Kleen (Cayman) Limited.

Results and dividends

The results for the Year are set out on page 6.

The Company's loss for the financial year is £64,101,000 (2014: £57,383,000). The Directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

G Baldock

P Mauguy

M Greenwood

(Appointed 2 April 2015)

K Buchborn-Klos

(Resigned 2 April 2015)

Directors' and Officers' Liability

The Group provided the Directors and Officers with liability insurance for the year. The insurance does not provide cover in the event that the director is provided to have acted fraudulently.

Future developments

The Company will continue in its role as a holding company for the foreseeable future.

Independent auditors

In accordance with the company's articles, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditors of the company will be put at a General Meeting.

WP MIDCO1 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Financial risk management

For information relating to the Group's financial risk management policy please refer to the consolidated financial statement of the ultimate parent company.

The financial statements were approved by the Board of directors on 21 June 2016 and signed on its behalf by:



M Greenwood

Director

21 June 2016

WP MIDCO1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WP MIDCO1 LIMITED

Our opinion

In our opinion, WP Midco 1 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and 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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

WP MIDCO1 LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF WP MIDCO1 LIMITED

Responsibilities for the financial statements and the audit

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



John Maitland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
21 June 2016

WP MIDCO1 LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
	Note		
Interest receivable and similar income	4	118	117
Interest payable and similar charges	5	(64,219)	(57,500)
Loss on ordinary activities before taxation		(64,101)	(57,383)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	11	(64,101)	(57,383)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than the loss for the financial years and accordingly no statement of other comprehensive income has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above, and their historical cost equivalents.

The notes on pages 9 to 20 form an integral part of these financial statements.

WP MIDCO1 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	7	267,900	267,900
Current assets			
Debtors	8	10,046	9,897
Creditors: amounts falling due within one year			
Trade creditors and other payables	9	(2,065)	(2,033)
Net current assets		7,981	7,864
Total assets less current liabilities		275,881	275,764
Creditors: amounts falling due after more than one year			
Creditors	9	(591,620)	(527,402)
Net liabilities		(315,739)	(251,638)
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(316,739)	(252,638)
Total equity		(315,739)	(251,638)

The notes on pages 9 to 20 form an integral part of these financial statements.

The financial statements were approved by the Board of directors and authorised for issue on 21 June 2016

Signed on its behalf by:



M Greenwood
Director

Company Registration No. 06544559

WP MIDCO1 LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 29 December 2013	1,000	(195,255)	(194,255)
	<hr/>	<hr/>	<hr/>
Loss for the financial period	-	(57,383)	(57,383)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	1,000	(252,638)	(251,638)
	<hr/>	<hr/>	<hr/>
Loss for the financial period	-	(64,101)	(64,101)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	1,000	(316,739)	(315,739)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.8.

As the consolidated financial statements of WP Safety-Kleen (Cayman) Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 102 balance sheet at 1 January 2014 for the purposes of the transition to FRS 102.

1.2 Investments in subsidiaries

Fixed asset investments are stated at cost plus incidental expenses, less any provision for impairment if, in the opinion of the directors, one is required. Impairment reviews are carried out when management determine that there has been a potential indicator of impairment.

1.3 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of the financial instruments and has therefore chosen to account for the financial instruments as basic financial instruments in accordance with Section 11.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amounts and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and borrowings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such liabilities are subsequently carried at amortised cost using the effective interest method.

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Corporation tax payable is provided on taxable profits at the current rate.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

1.5 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.6 Group financial statements

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared Group financial statements as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of WP Safety-Kleen (Cayman) Limited, a company incorporated in the Cayman Islands, and is included in the consolidated financial statements of that company.

1.7 Interest income

Interest income is recognised using the effective interest rate method.

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.8 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

i) Impairment of investments

Impairment testing requires management to estimate the recoverable amount of an asset or group of assets. Recoverable amount represents the higher of value in use and fair value less costs to sell. Value in use represents the net present value of the cash flows expected to arise from an asset or group of assets and its calculation requires management to estimate those cash flows and to apply a discount rate to them.

Cash flows are estimated by applying assumptions to budget sales, costs and overheads over a five year forecast period and by applying a perpetuity growth rate to the forecast cash flow in the fifth year.

Cash flows are discounted using a discount rate based on the Group's weighted average cost of capital adjusted for risks specific to the asset or group of assets. The weighted average cost of capital is affected by estimates of interest rates, equity returns and market and country related risks.

At 31 December 2015 the carrying value of long life assets is disclosed in note 7. If cash flow or discount rate assumptions were to change, impairment losses may be recognised in the next financial year.

(ii) Taxation

The Directors are required to exercise judgement in determining the company's provision for income taxes .

Estimation is required of taxable profit in order to determine the company's current tax liability and judgement i s required in situations where the company's tax position is uncertain and may be subject to review by the tax authorities.

Estimation is also required of timing differences between the carrying amount of assets and liabilities and their tax base. Deferred tax liabilities are recognised for all taxable timing differences but, where there exist deductible timing differences, judgement is required as to whether a deferred tax asset should be recognised based on the availability of future taxable profits.

No deferred tax asset has been recognised in relation to the timing differences arising in relation to interest accrued on subordinated unsecured loan notes as it is not considered probable that there will be future taxable profits available. The company has an unrecognised deferred tax assets of £31,443,530.

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Auditors' remuneration

During the year the Company obtained the following services from its auditors PricewaterhouseCoopers LLP, at costs detailed below:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Fees payable to the company's auditors for the audit of the company's annual financial statements	1	1

The audit fee for the year is borne by Safetykleen Group Services Limited, a fellow subsidiary undertaking.

3 Employee information and directors' emoluments

The Company has no employees (2014: none) other than the directors.

The directors are directors of a number of companies within the Group headed by WP Safety-Kleen (Cayman) Limited, consequently, it is not practical to allocate the remuneration of the directors between those companies. The remuneration of the directors during the reporting year was borne by Safetykleen Group Services Limited, a fellow subsidiary undertaking.

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Aggregate emoluments	1,245	983
Amounts paid to pension schemes	80	49
	<u>1,325</u>	<u>1,032</u>

The highest paid director received emoluments of £829,000 (2014: £357,000) for the year and pension contributions by the group of £59,000 (2014: £17,000).

Two (2014: three) directors have retirement benefits accruing under money purchase pensions schemes.

4 Interest receivable and similar income

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest on amounts due from group undertakings	118	117

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Interest payable and similar charges

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest on amounts payable to group companies	27,197	24,554
Interest on amounts payable on shareholder loans	37,022	32,946
Total interest expense	<u>64,219</u>	<u>57,500</u>

6 Tax on loss on ordinary activities

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Total tax charge	<u>-</u>	<u>-</u>

The tax assessed for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained below:

	2015 £'000	2014 £'000
Loss before taxation on continued operations	<u>(64,101)</u>	<u>(57,383)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 - 21.50%)	<u>(12,980)</u>	<u>(12,337)</u>
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	1,239	6,431
Change in unrecognised deferred tax assets	6,063	5,906
Group relief surrendered	5,678	-
Total adjustments	<u>12,980</u>	<u>12,337</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

6 Tax on loss on ordinary activities

The main rate of corporation tax in the UK was reduced to 20% from 1 April 2015. Accordingly, the company's profits/(losses) for this accounting period are taxed at an effective rate of 20.25%. Finance Act 2015, which provides for a reduction in the main rate of corporation tax to 19% with effect from 1 April 2017 and a further 1% reduction to 18% with effect from 1 April 2020, was substantively enacted on 26 October 2015. It is assumed that no significant reversal of deferred tax assets or liabilities will occur in the period to 1 April 2017 and therefore all closing deferred tax balances have been calculated using a corporation tax rate of 19%.

No deferred tax asset has been recognised in relation to timing differences arising in relation to interest accrued on subordinated unsecured loan notes as it is not considered probable that there will be future taxable profits available. The company has an unrecognised deferred tax asset of £31,443,530.

7 Investments

	2015 £'000	2014 £'000
Investments in subsidiaries	267,900	267,900
	<u>267,900</u>	<u>267,900</u>

A full listing of the principle subsidiary undertakings is shown in note 15.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in fixed asset investments

	Shares £'000
Cost or valuation	
At 1 January 2015 & 31 December 2015	<u>267,900</u>
Impairment	
At 1 January 2015 & 31 December 2015	<u>-</u>
Carrying amount	
At 31 December 2015	<u>267,900</u>
At 31 December 2014	<u>267,900</u>

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts due from group undertakings	1,975	2,004	8,071	7,893

Amounts due from group undertakings are unsecured, incur interest at REPO +1% and have no fixed repayment term.

9 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts due to fellow group undertakings	2,065	2,033	-	-
Subordinated unsecured loan notes	-	-	266,900	266,900
Accruals and deferred income	-	-	177,987	140,967
Interest on subordinated unsecured loan notes owed to parent company	-	-	146,733	110,535
	2,065	2,033	591,620	527,402

Amounts due to group undertakings are unsecured, incur interest and are repayable on demand.

The Company's £266,900,000 (2014: £266,900,000) Fixed Rate 11% subordinated Unsecured Loan Notes are listed on the Channel Islands Stock Exchange ("CISX"). Of the Fixed Rate 11% Subordinated Unsecured Loan Notes, an amount of £118,500,000 (2014: £118,500,000) is held by the immediate parent company WP Safety-Kleen Limited.

The Notes are redeemable at the earliest date of the following conditions i) a listing of the Company's shares; ii) a sale; iii) an Asset Sale or iv) 11 years from the Issue Date of 2 July 2008.

Interest compounding on a daily basis is charged to the profit and loss account but is not payable until redemption. The externally held portion is included under accruals and deferred income whilst interest due on those Notes held by group companies is shown under amounts due to parent company.

10 Called up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
1,000,000 (2014: 1,000,000) ordinary shares of £1 each	1,000	1,000

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Profit and loss account

£'000

At 29 December 2013	(195,255)
Loss for the financial year	(57,383)
	<hr/>
At 31 December 2014	(252,638)
Loss for the financial year	(64,101)
	<hr/>
At 31 December 2015	(316,739)
	<hr/>

12 Contingent liabilities

The Company is a participant in a Group banking arrangement under which, all surplus cash balances are held as collateral for bank facilities advanced to Group companies. In addition the Company has a cross-guarantee arrangement with the bank to support these Group facilities.

The Company has given fixed and floating charges over certain of its assets in relation to debt facilities provided by lenders to the Group.

13 Events after the reporting date

There are no post balance sheet events (2014: none) which require disclosure.

14 Ultimate parent company and ultimate controlling party

The Company's immediate parent is WP Safety-Kleen Limited, a company incorporated in the United Kingdom. WP Safety-Kleen (Cayman) Limited is the Company's ultimate parent undertaking and controlling party and is the largest and the smallest group of which the Company is a member and for which consolidated financial statements are prepared. The consolidated financial statements of WP Safety-Kleen (Cayman) Limited can be obtained from Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.

The Group headed by WP Safety-Kleen (Cayman) Limited is a portfolio company of funds (the "Warburg Pincus Funds") advised and managed by Warburg Pincus LLC, a private equity firm organised in the United States of America. The Warburg Pincus Funds hold 73.4% of WP Safety-Kleen (Cayman) Limited's ordinary shares and jointly have a controlling interest in the group and therefore the Company.

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Subsidiary companies

The Company owns 100% of the ordinary share capital of WP Midco 2 Limited, an intermediate holding company incorporated in the United Kingdom. The subsidiary undertakings of the Company at the balance sheet date, which are wholly owned and held indirectly, are shown below:

Subsidiary undertakings	Country of incorporation	Principal activity
WP Midco 3 Limited	United Kingdom	Holding company
Safetykleen Group Services Limited	United Kingdom	Holding company
WP SK Holdings Limited	United Kingdom	Holding company
WP SK Midco Limited	United Kingdom	Holding company
WP SK Limited	United Kingdom	Holding company
WP SK France Limited	United Kingdom	Holding company
Safety-Kleen Europe Limited	United Kingdom	Holding company
Safety-Kleen UK (Europe) Limited	United Kingdom	Holding company
SK 5 Limited	United Kingdom	Holding company
Safety-Kleen UK (France) Limited	United Kingdom	Holding company
Safety-Kleen UK Limited	United Kingdom	Parts washing and chemical application services
Parts Wash Limited	United Kingdom	Parts washing and chemical application services
Parts Wash UK Limited	United Kingdom	Parts washing and chemical application services
QED Chemical Solutions Limited	United Kingdom	Parts washing and chemical application services
WP SK Spain SL	Spain	Holding company
Safety-Kleen España SA	Spain	Parts washing and chemical application services
WP SK France SAS	France	Holding company
Safety-Kleen France Services SAS	France	Holding company
Safety-Kleen France Sarl	France	Parts washing and chemical application services
Safety-Kleen Beteiligungs GmbH	Germany	Holding company
Safety-Kleen Deutschland GmbH	Germany	Parts washing and chemical application services
Safety-Kleen Grundbesitz GmbH	Germany	Holding company
Orm Bergold Chemie GmbH & Co KG	Germany	Waste collection and recycling
Orm Chemie GmbH	Germany	Holding company
WP SK Italy Srl	Italy	Holding company
Safety-Kleen Italia Spa	Italy	Parts washing and chemical application services
Safetykleen Portugal Solventes e Gestão de Resíduos, SA	Portugal	Parts washing and chemical application services
Safety-Kleen Ireland Limited	Ireland	Parts washing and chemical application services
Safety-Kleen Belgium SA	Belgium	Parts washing and chemical application services
Safety-Kleen (Netherlands) BV	Netherlands	Holding company
Safety-Kleen Hungary KFT	Hungary	Parts washing and chemical application services
Co-Ba 2000 KFT	Hungary	Parts washing and chemical application services

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

15 Subsidiary companies

(Continued)

Safety-Kleen Slovakia s.r.o	Slovakia	Parts washing and chemical application services
Safety Kleen CZ. s.r.o.	Czech Republic	Parts washing and chemical application services
Safety-Kleen Parça Temizlik Hizmetleri Limited	Turkey	Parts washing and chemical application services
Global Kleen HK Limited	Hong Kong	Parts washing and chemical application services
Global Kleen Guangzhou Limited	China	Parts washing and chemical application services
Guangzhou Environmental Recycling Technology Company Limited	China	Waste collection
Servicekleen do Brasil Ltda	Brazil	Parts washing and chemical application services

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

16 Reconciliations on adoption of FRS 102

In the transition to FRS 102, there are no transition adjustments.

Reconciliation of equity

	At 29 December 2013			At 31 December 2014		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Fixed assets						
Investments	267,900	-	267,900	267,900	-	267,900
Current assets						
Debtors due after one year	7,778	-	7,778	7,893	-	7,893
Debtors due within one year	1,975	-	1,975	2,004	-	2,004
	9,753	-	9,753	9,897	-	9,897
Creditors: amounts falling due within one year						
Other creditors	(2,005)	-	(2,005)	(2,033)	-	(2,033)
Net current assets	7,748	-	7,748	7,864	-	7,864
Total assets less current liabilities	275,648	-	275,648	275,764	-	275,764
Creditors due after one year						
Other creditors	(469,903)	-	(469,903)	(527,402)	-	(527,402)
Net liabilities	(194,255)	-	(194,255)	(251,638)	-	(251,638)
Capital and reserves						
Called up share capital	1,000	-	1,000	1,000	-	1,000
Profit and loss account	(195,255)	-	(195,255)	(252,638)	-	(252,638)
Total equity	(194,255)	-	(194,255)	(251,638)	-	(251,638)

WP MIDCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss for the year

	Year ended 31 December 2014		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Interest receivable and similar income	117	-	117
Interest payable and similar charges	(57,500)	-	(57,500)
Loss on ordinary activities before taxation	(57,383)	-	(57,383)
Tax on loss on ordinary activities	-	-	-
Loss for the financial year	(57,383)	-	(57,383)