

WASTE TO ENERGY (GP) LIMITED
FINANCIAL STATEMENTS
5 APRIL 2012

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COMPANIES HOUSE

THOMPSON TARAZ LLP

Chartered Accountants
35 Grosvenor Street
London
W1K 4QX

WASTE TO ENERGY (GP) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012

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WASTE TO ENERGY (GP) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 5 APRIL 2012

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 5 April 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the general partner in Waste to Energy Partnership 1 LP

DIRECTORS

The directors who served the company during the year were as follows

A Taraz
MJ Chicken
AD Grieve
MM Heffernan
KD Gray
DE Suter
AM Cumming

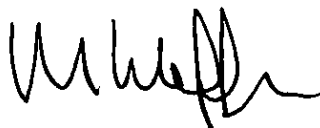
AM Cumming retired as a director on 23 August 2011

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
35 Grosvenor Street
Mayfair
London
W1K 4QX

Signed by order of the directors



PROPERTY SECRETARIES LIMITED
Company Secretary

Approved by the directors on 16 October 2012

WASTE TO ENERGY (GP) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 5 APRIL 2012

	Note	2012 £	2011 £
TURNOVER		—	—
Other operating income	2	(746)	(597)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>746</u>	<u>597</u>
Tax on profit on ordinary activities	4	149	60
PROFIT FOR THE FINANCIAL YEAR		<u>597</u>	<u>537</u>
Balance brought forward		226	(311)
Balance carried forward		<u>823</u>	<u>226</u>

The notes on pages 4 to 5 form part of these financial statements

WASTE TO ENERGY (GP) LIMITED

BALANCE SHEET

5 APRIL 2012

	Note	2012 £	£	2011 £
FIXED ASSETS				
Investments	5		<u>1</u>	<u>1</u>
CURRENT ASSETS				
Debtors	6	1,562		726
Cash in hand		<u>2</u>		<u>2</u>
		1,564		728
CREDITORS: Amounts falling due within one year	7	<u>740</u>		<u>501</u>
NET CURRENT ASSETS			<u>824</u>	<u>227</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>825</u>	<u>228</u>
CAPITAL AND RESERVES				
Called-up equity share capital	9		<u>2</u>	<u>2</u>
Profit and loss account			<u>823</u>	<u>226</u>
SHAREHOLDERS' FUNDS			<u>825</u>	<u>228</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 16 October 2012, and are signed on their behalf by

A D Grieve

A Grieve
Director

Company Registration Number 06914227

The notes on pages 4 to 5 form part of these financial statements

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2. OTHER OPERATING INCOME

	2012	2011
	£	£
Other operating income	<u>746</u>	<u>597</u>

Other operating income represents the company's share of Waste to Energy LP income calculated in accordance with the limited partnership deed.

3. OPERATING PROFIT

Operating profit is stated after crediting

	2012	2011
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012	2011
	£	£
Current tax		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	<u>149</u>	<u>60</u>
Total current tax	<u>149</u>	<u>60</u>

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2012

5. INVESTMENTS

Investments	£
COST	
At 6 April 2011 and 5 April 2012	<u>1</u>
NET BOOK VALUE	
At 5 April 2012 and 5 April 2011	<u>1</u>

The investment represents a capital contribution to the Waste to Energy Partnership 1 LP

6. DEBTORS

	2012	2011
	£	£
Other debtors	<u>1,562</u>	<u>726</u>

7. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Corporation tax	149	60
Other creditors	<u>591</u>	<u>441</u>
	<u>740</u>	<u>501</u>

8. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

The company is controlled by M J Chicken and A Taraz

9. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2012	£	2011	£
	No		No	
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

WASTE TO ENERGY (GP) LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 5 APRIL 2012

The following pages do not form part of the statutory financial statements

WASTE TO ENERGY (GP) LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2012

	2012 £	2011 £
OVERHEADS	—	—
OTHER OPERATING INCOME		
Other operating income	746	597
PROFIT ON ORDINARY ACTIVITIES	<u>746</u>	<u>597</u>

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2012

2012
£

2011
£

REGISTRATION NUMBER LP13791

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2012

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2012

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WASTE TO ENERGY PARTNERSHIP 1
OPERATOR AND PROFESSIONAL ADVISERS

Operator of Partnership

Thompson Taraz Managers Limited
35 Grosvenor Street
Mayfair
London
W1K 4QX

General Partner

Waste to Energy (GP) Limited
35 Grosvenor Street
Mayfair
London
W1K 4QX

Solicitors to the Partnership

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Independent Auditors

BDO LLP
Chartered Accountants
55 Baker Street
London
W1U 7EU

Bankers

HSBC
133 Regent Street
London

W1B 4HX

Waste to Energy Adviser to the Partnership

Climate Finance Limited
13 David Mews
Porter Street
London
W1U 6EQ

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2012

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2012 together with the financial statements

PRINCIPAL ACTIVITIES, REVIEW AND FUTURE DEVELOPMENTS

The principal purpose of this Fund is to invest in the development phase of the waste to energy plant at Kleszczow, Bogumilow Industrial Zone in Poland ("the Principal Project")

The Partnership owns shares in a UK holding company that holds the interest of the Principal Project via a special purpose Polish structure

The intention, as referred to in the information memorandum, was to hold the investment for a minimum of 5 years after which if the investors wish, to consider a sale of the Principal project after year 5

The General Partner considers the results for the period to be satisfactory

On 31 May 2012 the General Partner received confirmation from the Kleszczow Municipality that the necessary planning permissions were approved by the Secretary of Kleszczow Commune thus allowing the Partnership to proceed with the construction of the Waste to Energy Plant

At the date of approval of these accounts, Merchant Place Corporate Finance Ltd, who raised the current investment funds, are in the early stages of raising the additional funds necessary to construct the Waste to Energy Plant in accordance with the Information Memorandum, through further equity and debt finance

In the event that the fundraising effort is unsuccessful, Climate Finance Limited, the Partnership's Waste to Energy Advisor, is of the opinion that the recent planning approvals have added significant value to the project for which a buyer could be secured (even at its current stage of completion) at a price substantially in excess of cost for the Partnership, and could generate a profit for the investors

The principal risk and uncertainties facing the Partnership are set out in the Information Memorandum. These are not reproduced here, as this report is prepared in accordance with the special provisions for small entities in accordance with Generally Accepted Accounting Practice in the United Kingdom

CONSTITUTION AND GOVERNANCE

The Partnership is a limited partnership, initially registered on 22 February 2010, which entered into a Limited Partnership Agreement on 19 February 2010 ("the Partnership Agreement") and is registered under the Limited Partnership Act 1907. The initial term of the Partnership is for 20 years.

The Registered Office of the General Partner and the principal place of business of the Partnership is 35 Grosvenor Street, London, W1K 4QX

The Operator of the Partnership is Thompson Taraz Managers Limited

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2012

RESULTS AND DISTRIBUTIONS

The Partnership's profit for the year was £497,907

THE PARTNERS

The General Partner is Waste to Energy (GP) Limited. The Limited Partner's contributions are as set out in the Limited Partners Contributions and Income Accounts note. Each limited partner's contribution in the Partnership is made up of a Capital Contribution and a Loan Contribution.

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

The Partnership Agreement requires that the General Partner prepares financial statements for each financial year that give a true and fair view of the Partnership's state of affairs at the end of the financial year and of the surplus or deficiency of the Partnership for that year then ended. In preparing those financial statements, the General Partner is required to

- select suitable accounting policies, as described on pages 7 - 8, and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 Partnership will continue in business.

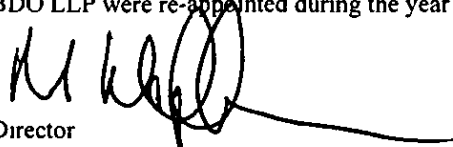
The General Partner confirms that the financial statements comply with the above requirements. The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with the terms and conditions of the Limited Partnership Agreement. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the General Partner is aware

- there is no relevant audit information of which the partnership's auditors are unaware, and
- the General Partner has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

BDO LLP were re-appointed during the year and have expressed a willingness to continue in office.


Director
For and on behalf of Waste to Energy (GP) Limited

29 JUNE 2012

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1

YEAR ENDED 5 APRIL 2012

We have audited the financial statements of Waste to Energy Partnership 1 for the year ended 5 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report has been prepared pursuant to our engagement letter dated 22 March 2012 and for no other purpose. No person is entitled to rely on this report unless such a person has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we here by expressly disclaim any and all such liability.

RESPECTIVE RESPONSIBILITIES OF THE GENERAL PARTNER AND AUDITORS

As explained more fully in the statement of General Partner's responsibilities, the General Partner is 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 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements

- give a true and fair view of the state of the partnership's affairs as at 5 April 2012 and of its profit 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 partnership agreement.

BDO LLP

BDO LLP
Chartered Accountants
London
United Kingdom

29 JUNE 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WASTE TO ENERGY PARTNERSHIP 1
PROFIT AND LOSS STATEMENT
YEAR ENDED 5 APRIL 2012

	Note	2012 £	2011 £
Other operating charges		(59,056)	(76,160)
OPERATING LOSS	2	(59,056)	(76,160)
Interest receivable	4	557,343	474,543
Interest payable and similar charges	5	(380)	(603)
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		<u>497,907</u>	<u>397,780</u>

All amounts relate to continuing activities

There are no recognised gains or losses other than the profit for the period

All recognised gains and losses in the year are included in the profit and loss account

The notes on pages 7 - 10 form part of these financial statements

WASTE TO ENERGY PARTNERSHIP 1

BALANCE SHEET

5 APRIL 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	6	<u>10,052,464</u>	<u>9,396,903</u>
CURRENT ASSETS			
Debtors	7	153,554	90,866
Cash at bank		<u>1,797,072</u>	<u>2,093,822</u>
		1,950,626	2,184,688
CREDITORS. Amounts falling due within one year	8	<u>(74,547)</u>	<u>(149,975)</u>
NET CURRENT ASSETS		<u>1,876,079</u>	<u>2,034,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,928,543</u>	<u>11,431,616</u>
NET ASSETS		<u>11,928,543</u>	<u>11,431,616</u>
FUNDED BY:			
Partners' capital contribution account	11	12,807	12,807
Partners' loan contribution account	11	11,227,251	11,228,231
Partners' current account	11	<u>688,485</u>	<u>190,578</u>
		<u>11,928,543</u>	<u>11,431,616</u>

These financial statements have been prepared in accordance with the special provisions for small entities in accordance with Generally Accepted Accounting Practice in the United Kingdom

The financial statements were approved by the General Partner and authorised for issue on
29 JUNE 2012



Director
For and on behalf of Waste to Energy (GP) Limited

Registration Number LP13791

The notes on pages 7 - 10 form part of these financial statements

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on an accruals basis under the historical cost convention as modified by the revaluation of investment properties. The financial statements have been prepared on a going concern basis in accordance with the Limited Partnership Agreement and United Kingdom, Generally Accepted Accounting Practices.

Consolidated Financial Statements

The partnership is exempt from the requirement to prepare consolidated financial statements by virtue of UK generally accepted accounting practice (UK GAAP) as the group it heads qualifies as a 'small' group. These financial statements therefore present information about the partnership as an individual undertaking and not about its group.

Going Concern

On 31 May 2012 the General Partner received confirmation from the Kleszczow Municipality that the necessary planning permissions were approved by the Secretary of Kleszczow Commune thus allowing the Partnership to proceed with the construction of the Waste to Energy Plant.

At the date of approval of these accounts, Merchant Place Corporate Finance Ltd, who raised the current investment funds, are in the early stages of raising the additional funds necessary to construct the Waste to Energy Plant in accordance with the Information Memorandum, through further equity and debt finance.

In the event that the fundraising effort is unsuccessful, Climate Finance Limited, the Partnership's Waste to Energy Advisor, is of the opinion that the recent planning approvals have added significant value to the project for which a buyer could be secured (even at its current stage of completion) at a price substantially in excess of cost for the Partnership, and could generate a profit for the investors.

Cash flow statement

The Partnership has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small entity.

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012

1 ACCOUNTING POLICIES *(continued)*

Turnover

Turnover represents amounts invoiced during the year

Investments

Investments held as fixed assets are stated at cost less provision for impairment

Issue costs

Issue costs with respect to partner's loans received are set off against the Partner's Loan Contribution balance

Taxation

The Partnership is carrying on the business of property investment and should have no tax liability in respect of income and gains distinct from that incurred by the partners. Income and gains generated by the Partnership are attributed to the partners for tax purposes pro rata to their investment as set out in the Partnership Agreement.

The taxable income is reduced by the deduction of the interest cost incurred on the loan used to purchase the property and by utilising capital allowances.

Distributions

The Partnership has a full distribution policy of all net positive cash flows to all partners after funding the Waste to Energy development, subject to a small cash provision being maintained to cover any administration or management costs.

2. OPERATING LOSS

Operating loss is stated after charging

	2012	2011
	£	£
Auditors' remuneration	<u>14,542</u>	<u>7,576</u>

3. PARTNER REMUNERATION AND EMPLOYEE INFORMATION

The partners received no remuneration from the Partnership. The Partnership does not have any employees.

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012

4 INTEREST RECEIVABLE

	2012	2011
	£	£
Interest receivable	<u>557,343</u>	<u>474,543</u>
Bank interest	4,774	6,436
Interest receivable from Waste to Energy Unit Trust	6,987	3,492
Other interest	<u>545,582</u>	<u>464,615</u>
	<u>557,343</u>	<u>474,543</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank charges	<u>380</u>	<u>603</u>

6 INVESTMENTS

	Investments £
COST	
At 6 April 2011	<u>340,536</u>
At 5 April 2012	<u>340,536</u>
LOANS	
At 6 April 2011	9,056,367
Additions	<u>655,561</u>
At 5 April 2012	<u>9,711,928</u>

The Partnership owns 100% of Waste To Energy Company (Keszczow) Limited, a UK Company set up to acquire the interest in the Waste To Energy Plant At 5 April 2012 cost represents 2 £1 ordinary shares and the balance represents the cost of acquiring these shares

The Partnership also indirectly owns 56.2% of the ordinary share capital of Eko-Region Kleszczow sp z o o, a property development company incorporated in Poland

7. DEBTORS

	2012	2011
	£	£
Trust debtor	153,493	90,865
Other debtors	<u>61</u>	<u>1</u>
	<u>153,554</u>	<u>90,866</u>

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2012

8. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	—	6,000
Accruals	74,547	143,975
	<u>74,547</u>	<u>149,975</u>

9. RELATED PARTY TRANSACTIONS

The Royal Bank of Canada Trust Corporation Limited acts as Trustee for Waste to Energy Unit Trust and is a Limited Partner in the Partnership

Interest, as disclosed in note 4, is charged at a rate of 6.0% (being the rate of interest charged on the UK Holding Company loan) on advances to the Trust

10. DISTRIBUTION TO PARTNERS

As all surplus income will be applied to funding a waste to energy plant by the UK Holding Company there will be no distribution to partners in respect of the current period. This is expected to be the case in every year until such time as the Principal Project is sold. Distributions are at the discretion of the General Partner and it is therefore appropriate to classify these amounts as equity in accordance with FRS25

Included in Note 11 are loan and capital contributions of £1,998 and £2 respectively in respect of Special Limited Partners. The Special Limited Partners will share a 50/50 performance fee on exit ("the Special Distribution") 10% interest in any return that investors receive in excess of 20% p.a. increasing to 20% of any return in excess of 30% p.a. and to 30% of any return in excess of 40% p.a.

11. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

	Loan Contribution	Capital Contribution	Net Income	Capital Appreciation
	£	£	£	£
Balance brought forward	11,228,231	12,807	190,578	-
Profit for the year	-	-	497,907	-
Offset of issue costs	(980)	-	-	-
	<u>11,227,251</u>	<u>12,807</u>	<u>688,485</u>	<u>-</u>