

WASTE TO ENERGY (GP) LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2013

TUESDAY



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25/03/2014

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COMPANIES HOUSE

THOMPSON TARAZ LLP

Chartered Accountants
35 Grosvenor Street
London
W1K 4QX

WASTE TO ENERGY (GP) LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

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WASTE TO ENERGY (GP) LIMITED

DIRECTORS' REPORT

PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

The directors present their report and the unaudited financial statements of the company for the period from 6 April 2012 to 30 September 2013

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 period were as follows

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

AD Grieve retired as a director on 28 February 2013

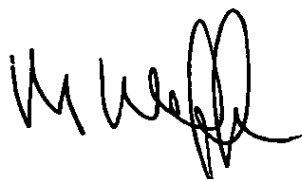
DE Suter retired as a director on 7 January 2013

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

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 21 March 2014

WASTE TO ENERGY (GP) LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

| | Note | Period from 6 April 12 to 30 September 13 £ | Year to 5 April 12 £ |
|--|------|--|----------------------------|
| TURNOVER | | - | - |
| Other operating income | 2 | (1,266) | (746) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>1,266</u> | <u>746</u> |
| Tax on profit on ordinary activities | 4 | 253 | 149 |
| PROFIT FOR THE FINANCIAL PERIOD | | <u>1,013</u> | <u>597</u> |
| Balance brought forward | | 823 | 226 |
| Balance carried forward | | <u>1,836</u> | <u>823</u> |

The notes on pages 4 to 6 form part of these financial statements.

WASTE TO ENERGY (GP) LIMITED

BALANCE SHEET

30 SEPTEMBER 2013

| | Note | 30 September 13 £ | 5 April 12 £ |
|---|------|----------------------|-----------------|
| FIXED ASSETS | | | |
| Investments | 5 | <u>1</u> | <u>1</u> |
| CURRENT ASSETS | | | |
| Debtors | 6 | 2,972 | 1,562 |
| Cash in hand | | <u>2</u> | <u>2</u> |
| | | 2,974 | 1,564 |
| CREDITORS: Amounts falling due within one year | 7 | <u>1,137</u> | <u>740</u> |
| NET CURRENT ASSETS | | <u>1,837</u> | <u>824</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,838</u> | <u>825</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 9 | 2 | 2 |
| Profit and loss account | | <u>1,836</u> | <u>823</u> |
| SHAREHOLDERS' FUNDS | | <u>1,838</u> | <u>825</u> |

For the period from 6 April 2012 to 30 September 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These accounts were approved by the directors and authorised for issue on 21 March 2014, and are signed on their behalf by



M Chicken
Director

Company Registration Number 06914227

The notes on pages 4 to 6 form part of these financial statements

WASTE TO ENERGY (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

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

| | Period from 6 April 12 to 30 September 13 | Year to 5 April 12 |
|------------------------|---|-----------------------|
| | £ | £ |
| Other operating income | <u>1,266</u> | <u>746</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

| | Period from 6 April 12 to 30 September 13 | Year to 5 April 12 |
|-------------------------|---|-----------------------|
| | £ | £ |
| Directors' remuneration | <u>-</u> | <u>-</u> |

WASTE TO ENERGY (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

| | Period from 6 April 12 to 30 September 13 £ | Year to 5 April 12 £ |
|---|--|----------------------------|
| Current tax | | |
| UK Corporation tax based on the results for the period at 20% (2012 - 20%) | 253 | 149 |
| Total current tax | <u>253</u> | <u>149</u> |

5. INVESTMENTS

Investments

COST

At 6 April 2012 and 30 September 2013

£

1

NET BOOK VALUE

At 30 September 2013 and 5 April 2012

1

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

6. DEBTORS

| | 30 September 13 £ | 5 April 12 £ |
|---------------|----------------------|-----------------|
| Other debtors | <u>2,972</u> | <u>1,562</u> |

7. CREDITORS: Amounts falling due within one year

| | 30 September 13 £ | 5 April 12 £ |
|-----------------|----------------------|-----------------|
| Corporation tax | 253 | 149 |
| Other creditors | <u>884</u> | <u>591</u> |
| | <u>1,137</u> | <u>740</u> |

WASTE TO ENERGY (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

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

Allotted, called up and fully paid:

| | 30 September 13 | | 5 April 12 | |
|----------------------------|------------------------|----------|-------------------|----------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

WASTE TO ENERGY (GP) LIMITED
MANAGEMENT INFORMATION
PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

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

WASTE TO ENERGY (GP) LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

| | Period from 6 April 12 to 30 September 13 £ | Year to 5 April 12 £ |
|--------------------------------------|--|----------------------------|
| OVERHEADS | - | - |
| OTHER OPERATING INCOME | | |
| Other operating income | <u>1,266</u> | <u>746</u> |
| PROFIT ON ORDINARY ACTIVITIES | <u><u>1,266</u></u> | <u><u>746</u></u> |

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

| Period from | Year to |
|-----------------|------------|
| 6 April 12 to | 5 April 12 |
| 30 September 13 | |
| £ | £ |

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
PERIOD FROM 6 APRIL 2012 TO 30 SEPTEMBER 2013

| Period from | Year to |
|-----------------|------------|
| 6 April 12 to | 5 April 12 |
| 30 September 13 | |
| £ | £ |

REGISTRATION NUMBER LP13791

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2013

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 06914227

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2013

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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
55 Baker Street
London
W1U 7EU

Waste to Energy Adviser to the Partnership

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

Bankers

HSBC
133 Regent Street
London
W1B 4HX

WASTE TO ENERGY PARTNERSHIP 1
GENERAL PARTNER'S REPORT
YEAR ENDED 5 APRIL 2013

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2013 together with the financial statements.

PRINCIPAL ACTIVITIES, REVIEW AND FUTURE DEVELOPMENTS

The principal purpose of this Fund is to invest in

(a) the development phase of the waste to energy plant at Kleszczow, Bogumilow Industrial Zone in Poland ("the Principal Project") and

(b) the seed funding in up to two further waste to energy plants in Poland ("the Additional Projects")

The Partnership owns shares in a UK holding company that holds the interest of both the Principal and Additional Projects 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

During the year the Principal Project was awarded the Environmental Decision and secured the Building Permit which was the final permit needed before construction could begin. The timeframes for which, will also be affected by the time it takes to put the final project funding on place

During the course of the year the Partnership has raised a further £5.2 million (2012: £Nil) from investors, and the General Partner expects that this will be the last equity injection into the Principal Project

The timing for construction to begin, now mainly depends on obtaining the balance of project finance from bank debt and finalising contract terms with Prestige, an EPC contractor who is preferred by Climate Finance to install the waste to energy plant

As of the date of approval of these accounts, bank debt has been applied for from Raiffeisen Bank in Poland and an agreed Term Sheet is in place. It is currently anticipated that Raiffeisen Bank will confirm the offer of the funding by 1 April 2014 and provided contract terms are agreed with Prestige in the same time frame, this will allow for construction to begin in the summer of 2014 and for the first plant line to be operational in April 2015

On 4 April 2013, the UK holding company entered into a loan arrangement with Bolda sp. z o.o. for Euro 215,000, to be utilised in its entirety to purchase shares in CEMA energy sp. z o.o., a company constructing a waste to energy project located in Chorzow, Poland. The directors of the General Partner considered and agreed that the investment met the Additional Project criteria stated in the Information Memorandum

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

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2013

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.

RESULTS AND DISTRIBUTIONS

The Partnership's profit for the year was £533,752.

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.

GENERAL PARTNER'S RESPONSIBILITIES

The General Partner is responsible for preparing the General Partners Report and the financial statements in accordance with applicable law and regulations.

The Partnership Agreement requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The General Partner 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 Partnership and the profit and loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Partnership will continue in business.

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2013

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnerships transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnerships (Accounts) Regulation 2008. They are 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.

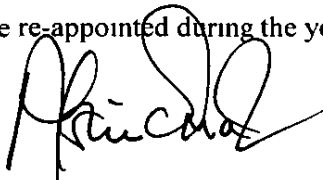
STATEMENT OF DISCLOSURE TO AUDITORS

The General Partners has taken all the steps that it ought to have taken to make itself aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The General Partner is not aware of any relevant audit information of which the auditors are unaware.

In preparing the General Partner's reports advantage has been taken of the special provisions for small entities.

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
30 January 2014

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1
YEAR ENDED 5 APRIL 2013

We have audited the financial statements of Waste to Energy Partnership 1 for the year ended 5 April 2013 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited partnership's members, as a body, in accordance with the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the limited partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As explained more fully in the statement of members' responsibilities, the members 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). Those standards require us to comply with the Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/apb/auditscopeuk/private.

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 2013 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 Partnerships (Accounts) Regulations 2008'.

OPINION ON OTHER MATTERS

In our opinion the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1
YEAR ENDED 5 APRIL 2013

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 as applied to limited partnerships 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,
- we have not received all the information and explanations we require for our audit, or
- the General Partner was not entitled to prepare the financial statements and the General Partner's report in accordance with the small entities regime

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30 January 2014

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 2013

| | Note | 2013 £ | 2012 £ |
|---|----------|-----------------------|-----------------------|
| Other operating charges | | <u>(80,160)</u> | <u>(59,056)</u> |
| OPERATING LOSS | 2 | (80,160) | (59,056) |
| Interest receivable | 4 | 614,412 | 557,343 |
| Interest payable and similar charges | 5 | (500) | (380) |
| PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION | | <u>533,752</u> | <u>497,907</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

WASTE TO ENERGY PARTNERSHIP 1

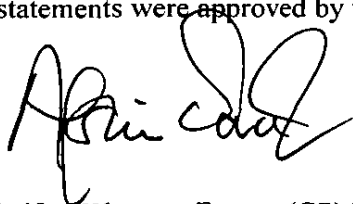
BALANCE SHEET

5 APRIL 2013

| | Note | 2013 £ | 2012 £ |
|---|------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Investments | 6 | <u>11,080,307</u> | <u>10,052,464</u> |
| CURRENT ASSETS | | | |
| Debtors | 7 | 220,417 | 153,554 |
| Cash at bank | | <u>6,040,903</u> | <u>1,797,072</u> |
| | | 6,261,320 | 1,950,626 |
| CREDITORS: Amounts falling due within one year | 8 | <u>(190,419)</u> | <u>(74,547)</u> |
| NET CURRENT ASSETS | | <u>6,070,901</u> | <u>1,876,079</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>17,151,208</u> | <u>11,928,543</u> |
| NET ASSETS | | <u>17,151,208</u> | <u>11,928,543</u> |
| FUNDED BY: | | | |
| Partners' capital contribution account | 11 | 18,083 | 12,807 |
| Partners' loan contribution account | 11 | 15,908,888 | 11,227,251 |
| Partners' special capital contribution account | 11 | 2 | — |
| Partners' special loan contribution account | 11 | 1,998 | — |
| Partners' current account | 11 | <u>1,222,237</u> | <u>688,485</u> |
| | | <u>17,151,208</u> | <u>11,928,543</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 30 January 2014



Director
For and on behalf of Waste to Energy (GP) Limited
30 January 2014

Registration Number LP13791

The notes on pages 9 - 13 form part of these financial statements

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments. The financial statements have been prepared on a going concern basis and are in accordance with generally accepted accounting practice in the United Kingdom, the Partnerships (Accounts) Regulations 2008 and all other applicable legislation and otherwise in accordance with the terms and conditions of the Partnership Agreement accounting standards.

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

During the course of the year the General Partner received confirmation from the Kleszczow Municipality that the Environmental Decision had been awarded and Building Permit was secured which was the final permit needed before construction could begin. The timeframes for which will also be affected by the time it takes to put the final project funding in place.

The timing for construction to begin now mainly depends on obtaining the balance of project finance from bank debt and finalising contract terms with Prestige, an EPC contractor who is preferred by Climate Finance, the Partnership's Waste to Energy adviser, to install the plant.

As of the date of approval of these accounts, bank debt has been applied for from Raiffeisen Bank in Poland and an agreed Term Sheet is in place. It is currently anticipated that Raiffeisen Bank will confirm the offer of the funding by 1 April 2014 and provided contract terms are agreed with Prestige in the same time frame, this will allow for construction to begin in the summer of 2014 and for the first plant line to be operational in April 2015.

In the event that the above debt 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 alternative sources of finance are available and indeed negotiations are in progress to secure improved terms. However there can be no guarantee that the Partnership's investment would be fully recovered should the project not proceed as planned.

Therefore these financial statements do not include any adjustments that would result if the going concern basis of preparation were inappropriate.

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 2013

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

| | 2013 | 2012 |
|------------------------|---------------|---------------|
| | £ | £ |
| Auditors' remuneration | <u>10,800</u> | <u>14,542</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 2013

4. INTEREST RECEIVABLE

| | 2013 | 2012 |
|---|----------------|----------------|
| | £ | £ |
| Interest receivable | <u>614,412</u> | <u>557,343</u> |
| Bank interest | 10,579 | 4,774 |
| Interest receivable from Waste to Energy Unit Trust | 10,713 | 6,987 |
| Other interest | <u>593,120</u> | <u>545,582</u> |
| | <u>614,412</u> | <u>557,343</u> |

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 | 2012 |
|--------------|------------|------------|
| | £ | £ |
| Bank charges | <u>500</u> | <u>380</u> |

6. INVESTMENTS

| | Investments £ |
|------------------------|-------------------|
| COST | |
| At 6 April 2012 | 340,536 |
| Additions | <u>140,319</u> |
| At 5 April 2013 | <u>480,855</u> |
| LOANS | |
| At 6 April 2012 | 9,711,928 |
| Additions | <u>887,524</u> |
| At 5 April 2013 | <u>10,599,452</u> |

The Partnership owns 100% of Waste To Energy Company (Keszczow) Limited, a UK Company set up to acquire the interest in Polish Waste To Energy Plant Principal and Additional Projects. At 5 April 2013 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.

WASTE TO ENERGY PARTNERSHIP 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2013

7. DEBTORS

| | 2013 | 2012 |
|---------------|----------------|----------------|
| | £ | £ |
| Trust debtor | 218,206 | 153,493 |
| Other debtors | 2,211 | 61 |
| | <u>220,417</u> | <u>153,554</u> |

8. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

| | 2013 | 2012 |
|-----------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 89,971 | — |
| Accruals | 100,448 | 74,547 |
| | <u>190,419</u> | <u>74,547</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 the Principal and Additional waste to energy plant projects 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 projects are 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.

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2013

11. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

| | Loan Contribution £ | Capital Contribution £ | Net Income £ | Capital Appreciation £ |
|---------------------------|---------------------------|------------------------------|------------------|------------------------------|
| Balance brought forward | 11,227,251 | 12,807 | 688,485 | - |
| Additions during the year | 5,270,778 | 5,276 | - | - |
| Profit for the year | - | - | 533,752 | - |
| Offset of issue costs | (589,141) | - | - | - |
| | <u>15,908,888</u> | <u>18,083</u> | <u>1,222,237</u> | <u>-</u> |

SPECIAL PARTNERS CONTRIBUTION ACCOUNTS

| | Special Partner Capital Contribution | Special Partner Loan Contribution £ | Total £ |
|-------------------------|---|--|--------------|
| Balance brought forward | 2 | 1,998 | 2,000 |
| | <u>2</u> | <u>1,998</u> | <u>2,000</u> |