

WASTE TO ENERGY (GP) LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2014

THOMPSON TARAZ LLP

Chartered Accountants
35 Grosvenor Street
London
W1K 4QX

MONDAY



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29/06/2015
COMPANIES HOUSE

WASTE TO ENERGY (GP) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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WASTE TO ENERGY (GP) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2014

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
MM Heffernan
KD Gray

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 29 June 2015

WASTE TO ENERGY (GP) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2014

		Year to 30 September 14	Period from 6 April 12 to 30 September 13
	Note	£	£
TURNOVER		—	—
Other operating income	2	—	(1,266)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	1,266
Tax on profit on ordinary activities	4	—	253
PROFIT FOR THE FINANCIAL YEAR		—	1,013
Balance brought forward		1,836	823
Balance carried forward		<u>1,836</u>	<u>1,836</u>

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

WASTE TO ENERGY (GP) LIMITED

BALANCE SHEET

30 SEPTEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	5	1	1
CURRENT ASSETS			
Debtors	6	2,972	2,972
Cash in hand		2	2
		<u>2,974</u>	<u>2,974</u>
CREDITORS: Amounts falling due within one year	7	<u>1,137</u>	<u>1,137</u>
NET CURRENT ASSETS		<u>1,837</u>	<u>1,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,838</u>	<u>1,838</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account		<u>1,836</u>	<u>1,836</u>
SHAREHOLDERS' FUNDS		<u>1,838</u>	<u>1,838</u>

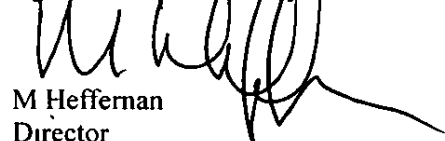
For the year ended 30 September 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year 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 29 June 2015, and are signed on their behalf by


M Heffernan
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
YEAR ENDED 30 SEPTEMBER 2014

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

	Year to 30 September	Period from 6 April 12 to 30 September
	14	13
	£	£
Other operating income	—	1,266
	<u>—</u>	<u>1,266</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

	Year to 30 September	Period from 6 April 12 to 30 September
	14	13
	£	£
Directors' remuneration	—	—
	<u>—</u>	<u>—</u>

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2014

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	Year to 30 September 14 £	Period from 6 April 12 to 30 September 13 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	-	253
Total current tax	<u>-</u>	<u>253</u>

5. INVESTMENTS

Investments

COST

At 1 October 2013 and 30 September 2014

£

1

NET BOOK VALUE

At 30 September 2014 and 30 September 2013

1

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

6. DEBTORS

	2014 £	2013 £
Other debtors	<u>2,972</u>	<u>2,972</u>

7. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Corporation tax	-	253
Other creditors	<u>1,137</u>	<u>884</u>
	<u>1,137</u>	<u>1,137</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.

WASTE TO ENERGY (GP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2014

9. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

REGISTRATION NUMBER LP13791

THESE PAGES
ARE
PART OF THE ACCOUNTS
OF COMPANY
No. 6914227

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2014



COMPANIES HOUSE

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2014

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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 2014

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2014 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 progressed in Poland to the point that in March 2014, following SLR's recommendation the shareholders Eko Region Kleszczów (ERK) decided to confirm Prestige's appointment in preference to New Earth, the alternative technology provider. However, notwithstanding that decision, Mr Pastuszek, the President of ERK, wanted to explore further the New Earth option which did hold up progress being made with Prestige. He also withdrew the credit application to Raiffeisen Bank which was for the Prestige plant (referred to in our February 2014 Investor Update), until he was satisfied that Prestige was a preferable solution to New Earth.

Subsequent to the year end, in September 2014, New Earth notified ERK that due to its own implementation schedule they were no longer able to offer ERK the time and resources for the company to be able to implement this alternative solution for the next 18-24 months. New Earth's withdrawal has meant that Mr Pastuszek has now confirmed he is aligned with the shareholders' decision in March to either proceed with Prestige or another technology "Korean option".

Prestige have since agreed to reinstate their offer and this time with the benefit of a wraparound insured risk solution provided by a credit worthy corporate, Group Five, who will effectively guarantee performance of the Prestige plant. Because of Group Five's credit worthiness and the inherent performance guarantees supported by them, this should further assist the necessary and new credit applications needed to be submitted to the Polish banks.

Climate Finance, the Partnership's Waste to Energy Advisor, have advised that the regulatory environment in Poland continues to support the urgent need for the deployment of new waste treatment infrastructure and demand is increasingly outweighing supply and therefore this project with the benefit of permits in place and for an advanced leading waste treatment technology still has excellent prospects for success and to be a leading waste management project in Poland and is likely to be targeted by buyers once under construction.

As of the date of approval of these accounts, as there has been no definite confirmed bank funding for either the Group Five or Korean option. The directors of the General Partner of the Partnership decided to recognise a provision in these financial statements to reflect the economic reality that not all of the investment made by the Partnership to date may be ultimately recovered. This assessment will now be made annually by the directors of the General Partner depending on progress with bank funding, the construction of project and its estimated projected revenues, costs and cash flows, but

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2014

subject to the directors' decision to market the Principal Project as soon as practicable

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.

RESULTS AND DISTRIBUTIONS

The Partnership's loss for the year was £2,467,299.

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 Generally Accepted Accounting Practices in the United Kingdom 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.

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

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2014

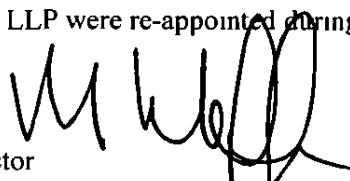
assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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.

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
26 March 2015

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1
YEAR ENDED 5 APRIL 2014

We have audited the financial statements of Waste to Energy Partnership 1 for the year ended 5 April 2014 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 (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

With respect to fixed asset investments with a carrying value of £8,690,141 the discount rate used by the General Partner in computing value in use, for the purposes of the impairment review (and as further explained in note 7) has not been determined in accordance with the requirements of FRS 11 'Impairment of Fixed Assets and Goodwill'. We are unable to quantify the impact of this departure from the Accounting Standard.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of matters described in the Basis for qualified opinion paragraph above, the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 5 April 2014 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 Partnership (Accounts) Regulations 2008'.

WASTE TO ENERGY PARTNERSHIP 1

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

YEAR ENDED 5 APRIL 2014

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

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Partnership's ability to continue as a going concern. Further funds will be required to finance the company's planned work programme. Having taken professional advice the General Partner believes that sufficient funding will be available but there can be no guarantee that these will be available. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Partnership's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Partnership was unable to continue as a going concern.

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

26 March 2015

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 2014

	Note	2014 £	2013 £
Other operating charges		(105,906)	(80,160)
OPERATING LOSS	2	(105,906)	(80,160)
Impairment Provision	4	(3,026,134)	—
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(3,132,040)	(80,160)
Interest receivable	5	665,086	614,412
Interest payable and similar charges	6	(345)	(500)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		<u>(2,467,299)</u>	<u>533,752</u>

All amounts relate to continuing activities.

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

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

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

WASTE TO ENERGY PARTNERSHIP 1

BALANCE SHEET

5 APRIL 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	7	<u>8,690,141</u>	<u>11,080,307</u>
CURRENT ASSETS			
Debtors	8	290,494	220,417
Cash at bank		<u>5,758,063</u>	<u>6,040,903</u>
		6,048,557	6,261,320
CREDITORS: Amounts falling due within one year	9	<u>(130,892)</u>	<u>(190,419)</u>
NET CURRENT ASSETS		<u>5,917,665</u>	<u>6,070,901</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,607,806</u>	<u>17,151,208</u>
NET ASSETS		<u>14,607,806</u>	<u>17,151,208</u>
FUNDED BY:			
Partners' capital contribution account	12	18,083	18,083
Partners' loan contribution account	12	15,832,785	15,908,888
Partners' special capital contribution account	12	2	2
Partners' special loan contribution account	12	1,998	1,998
Partners' current account	12	<u>(1,245,062)</u>	<u>1,222,237</u>
		<u>14,607,806</u>	<u>17,151,208</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 26 March 2015

Director

For and on behalf of Waste to Energy (GP) Limited
26 March 2015

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 2014

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

As of the date of approval of these accounts, Prestige the technology provider have agreed to reinstate their offer and this time with the benefit of a wraparound insured risk solution provided by a credit worthy corporate, Group Five, who will effectively guarantee performance of the Prestige plant. Because of Group Five's credit worthiness and the inherent performance guarantees supported by them, this should further assist the necessary and new credit applications needed to be submitted to the Polish banks.

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. The directors of the General Partner have resolved to market the project as soon as practicable to ascertain and discover its actual market value. 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 2014

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

	2014	2013
	£	£
Auditors' remuneration	<u>13,376</u>	<u>10,800</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 2014

4. AMOUNTS WRITTEN OFF INVESTMENTS

During the year, the profit and loss was charged with an amount of £3,026,134 (2013 £Nil) that represented an impairment to the value of the Partnership's investment in Waste To Energy Company (Keszczow) Limited. This impairment has been estimated based on discounted cash flow forecasts over a period of 25 years using a discount rate of 15% and a growth rate of 2% per annum.

5. INTEREST RECEIVABLE

	2014	2013
	£	£
Interest receivable	<u>665,086</u>	<u>614,412</u>
Bank interest	14,570	10,579
Interest receivable from Waste to Energy Unit Trust	14,548	10,713
Other interest	<u>635,968</u>	<u>593,120</u>
	<u>665,086</u>	<u>614,412</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank charges	<u>345</u>	<u>500</u>

7. INVESTMENTS

	Investments
	£
COST	
At 6 April 2013	480,855
Impairment Provision	<u>(480,853)</u>
At 5 April 2014	<u>2</u>
LOANS	
At 6 April 2013	10,599,452
Impairment Provision	<u>(2,545,281)</u>
At 5 April 2014	<u>8,690,139</u>

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2014

7. INVESTMENTS *(continued)*

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 2014 cost represents 2 £1 ordinary shares and the balance represents the cost of acquiring these shares as well as the impairment provision recognised during the year.

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.

The professional team advising the General Partner has prepared a discounted cash flow analysis to assess the carrying value of the investments. This indicated an impairment in the carrying value of the investments which has been charged to the profit and loss account in the year.

FRS 11 requires an estimate of market rate to be an estimate of the rate that the market would expect on an equally risky investment. Because of a lack of readily available market evidence for comparable waste to energy assets and the professional costs required to undertake such a review, the General Partner has estimated a discount rate of 15% which it regards as appropriate in the circumstances. The General Partner has resolved to market the project as soon as practicable to ascertain and discover its actual market value, in light of which the impairment in the carrying value of this investment will either be reversed, maintained or increased.

8. DEBTORS

	2014	2013
	£	£
Trust debtor	288,283	218,206
Other debtors	2,211	2,211
	<u>290,494</u>	<u>220,417</u>

9. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	55,667	89,971
Accruals	75,225	100,448
	<u>130,892</u>	<u>190,419</u>

WASTE TO ENERGY PARTNERSHIP 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2014

10. 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 5, 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

11. 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.

12. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

	Loan Contribution	Capital Contribution	Net Income	Capital Appreciation
	£	£	£	£
Balance brought forward	15,908,888	18,083	1,222,237	-
Loss for the year	-	-	(2,467,299)	-
Offset of issue costs	(76,103)	-	-	-
	<u>15,832,785</u>	<u>18,083</u>	<u>(1,245,062)</u>	<u>-</u>

SPECIAL CONTRIBUTIONS

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