

COMPANY REGISTRATION NUMBER: 06914227

Waste to Energy (GP) Limited
Unaudited Financial Statements
30 September 2020



THOMPSON TARAZ LLP

Chartered accountants
47 Park Lane
Mayfair
London
W1K 1PR

Waste to Energy (GP) Limited
Financial Statements
Year ended 30 September 2020

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Waste to Energy (GP) Limited

Directors' Report

Year ended 30 September 2020

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2020.

Principal activities

The principal activity of the company during the year was that of the general partner in Waste to Energy Partnership 1 LP. The company has not traded during the year.

Directors

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

A Taraz
MJ Chicken
MM Heffernan
KD Gray
T McKechnie

Small company provisions

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

This report was approved by the board of directors on 8 June 2021 and signed on behalf of the board by:



Property Secretaries Limited
Company Secretary

Registered office:
47 Park Lane
Mayfair
London
W1K 1PR

Waste to Energy (GP) Limited

Statement of Financial Position

30 September 2020

	Note	2020 £	£	2019 £
Fixed assets				
Investments	4		1	1
Current assets				
Debtors	5	2,299		2,299
Cash at bank and in hand		<u>2</u>		<u>2</u>
		2,301		2,301
Creditors: amounts falling due within one year	6	<u>464</u>		<u>464</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>
Net assets			<u>1,838</u>	<u>1,838</u>
Capital and reserves				
Called up share capital			2	2
Profit and loss account			<u>1,836</u>	<u>1,836</u>
Shareholders funds			<u>1,838</u>	<u>1,838</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 September 2020 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.
- The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements were approved by the board of directors and authorised for issue on 8 June 2021, and are signed on behalf of the board by:



KD Gray
Director

Company registration number: 06914227

The notes on pages 3 to 5 form part of these financial statements.

Waste to Energy (GP) Limited

Notes to the Financial Statements

Year ended 30 September 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 47 Park Lane, Mayfair, London, W1K 1PR.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Waste to Energy (GP) Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

4. Investments

	Other investments other than loans £
Cost	
At 1 October 2019 and 30 September 2020	1
Impairment	
At 1 October 2019 and 30 September 2020	—

Waste to Energy (GP) Limited
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

4. Investments *(continued)*

	Other investments other than loans £
Carrying amount	
At 30 September 2020	<u>1</u>
At 30 September 2019	<u>1</u>

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

5. Debtors

	2020	2019
	£	£
Other debtors	<u>2,299</u>	<u>2,299</u>

6. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	<u>464</u>	<u>464</u>

7. 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 PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2020

WASTE TO ENERGY PARTNERSHIP 1
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2020

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WASTE TO ENERGY PARTNERSHIP 1
OPERATOR AND PROFESSIONAL ADVISERS

Operator of Partnership

Thompson Taraz Managers Limited
47 Park Lane
Mayfair
London
W1K 1PR

General Partner

Waste to Energy (GP) Limited
47 Park Lane
Mayfair
London
W1K 1PR

Solicitors to the Partnership

CMS Cameron McKenna Nabarro
Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Independent Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

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 2020

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2020 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, Waste to Energy Company (Keszczow) Limited ("WTE"), 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. The investment in the Waste to Energy Partnership 1 LP has been beset with delays and challenges over many years and particularly over the past few years. Many of these challenges have been due to changes in the regulatory framework within Poland (and Europe more generally) and more issues have also been due to disagreement with the Polish Joint Venture Partner as to the future of this investment which made it difficult to progress matters effectively and also made it difficult to sell in the open market, with prospective purchasers reluctant to offer any sensible amounts of cash whilst there was any form of shareholder dispute. This led to our Polish Joint Venture partners making an in principle offer to buy our shares in September 2016 which failed to materialise.

In June 2019, after a protracted legal argument with our Joint Venture Partners, Waste to Energy Partnership 1 ("the Fund") was finally in a position to gain 100% ownership through an arrangement that involved an arranged bankruptcy procedure of the Polish Special Purpose Vehicle ("SPV"), Eko Region Kleszczow ("ERK") (now in liquidation) and the buy-back of the assets through another SPV. The completion of this transaction was intended to allow the Fund the opportunity to complete the works required to gain a new building permit, opening up the scope of prospective purchasers for this investment opportunity, such that the waste to energy facility in Kleszczow might actually be constructed by another investor and start processing waste in Poland under the National Waste management plan. Acquiring the assets in a new SPV and finalising the permits would give the Fund the opportunity to proceed to an open market sales process such that the real market value of this project might be realised.

This procedure and plan was not without new challenges and risks and given the substantial uncertainties which remained, all investors in the Fund were, in August 2019, provided the opportunity to have the final say as to how we proceed, through voting at an Extraordinary General Meeting of the Partnership, held on 4 September 2019. In the event, due to the high level of non-responses from investors the Special Resolution failed. Whilst the last Resolution did not pass because of the large percentage of investors who did not vote, roughly 70% of those who did vote, voted in favour. Therefore the General Partner of the Partnership identified a solution to enable those investors who wish to exit to exit and also enabling those investors who wish to remain invested to do so, with the consequence that a

WASTE TO ENERGY PARTNERSHIP 1

GENERAL PARTNER'S REPORT

YEAR ENDED 5 APRIL 2020

Partnership with investors (who wish to remain interested) can move forward with its investment in Poland.

In October 2019 the General Partner arranged for a fresh decision by each investor on whether to exit or to remain invested i.e. no one was bound by their earlier vote on the previous Resolution. Those investors that had not voted were able to decide whether they wish to exit or remain invested.

In order to facilitate this and remove the risk of future issue with non-respondents the General Partner and the Operator amended the Limited partnership Agreement to better reflect the intention of the Information Memorandum. Those investors that do not vote/respond will no longer be automatically counted as voting against a resolution. Instead, they will be deemed to have appointed the General Partner (or the Operator) as their attorney (solely for the purpose of casting such votes or providing such written consent) on terms that the General Partner (or the Operator) in what it considers to be the best interest of the Partnership.

In November 2019, based on the Decision Forms received 38% of the Investors decided to Exit. The reduced size Partnership now comprised of 11,141.90 Participations and therefore the percentage of the investors who provided their Written Consent to the Special Resolution amounted to 7,666.55 Participations being 68.8 % of the Partnership, which fell short of the 75% required. The General Partner therefore exercised its right to give consent on behalf of a further 897 Participations of the non-responding investors in order to clear the 75% hurdle for Written Consents to the Special Resolution.

The General Partner, the directors of the General Partner, WTEK and the Operator of the Partnership have been joint and severally authorised and empowered in respect of all such actions any of them consider necessary, desirable, expedient or incidental to:

- Proceed with a new bid to acquire the assets of ERK from the Court Appointed Trustee into a Special Purpose Vehicle (SPV)
- Continue to fund the SPV to secure the Building and Environmental Permits and,
- Concurrently, initiate the process of preparing for the sale of the assets and recovery of the VAT on the acquisition.

The directors of WTE and the GP have therefore decided to recognise a further provision of £659,230 (2019: £260,000) to reflect the economic reality that not all of the investment made by the Partnership to date may be ultimately recovered.

The Partnership has more than sufficient cash reserves to meet its liabilities as they fall due over the next twelve months.

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 2020

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 15 years.

The Registered Office of the General Partner and the principal place of business of the Partnership is 47 Park Lane, London, W1K 1PR. The Partnership is incorporated in England and Wales.

The Operator of the Partnership is Thompson Taraz Managers Limited.

RESULTS AND DISTRIBUTIONS

The Partnership's loss for the year was £491,186 (2019: £386,875).

Going concern

The general partner has assessed the ability of the partnership to continue as a going concern. In making this assessment the general partner has reviewed the forecasts which cover the going concern period and which take in to account the possible impact of COVID-19. The forecasts show that it has sufficient resources to continue to trade and to meet its liabilities as they fall due during the going concern period. Based on this review the general partner has concluded that the financial statements should be prepared on a going concern basis and that there is no material uncertainty within this assumption.

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 agreement the General Partner has elected to prepare the financial statements in accordance with 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' 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.

WASTE TO ENERGY PARTNERSHIP 1
GENERAL PARTNER'S REPORT
YEAR ENDED 5 APRIL 2020

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 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

29 July 2020

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1
YEAR ENDED 5 APRIL 2020

Qualified Opinion

We have audited the financial statements of Waste to Energy Partnership 1 (the 'partnership') for the year ended 5 April 2020 which comprise the Statement of comprehensive income, Statement of financial position, Partnership Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the partnership's affairs as at 5 April 2020 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

Basis for qualified opinion on financial statements

The evidence available to us was limited in respect of fixed asset investments with a carrying value of £nil (2019 — £111,859) (note 7) because the general partner is currently assessing the options available to sell its investment, where the outcome is dependent on the approval of the limited partners. As such the timing and transaction price of any sale and hence the carrying value of the investment is uncertain. The general partner has made an impairment provision of £451,721 (2018 — £260,000) but we were unable to obtain sufficient appropriate audit evidence regarding the carrying value of the fixed asset investment. Therefore, we were unable to determine if any adjustments to the carrying value and the impairment provision were required. Our audit report for the prior year was qualified in this respect

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

WASTE TO ENERGY PARTNERSHIP 1

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

YEAR ENDED 5 APRIL 2020

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The general partner is responsible for the other information. The other information comprises the information included in the general partner report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the fixed asset investments of £nil held at 5 April 2020. We have concluded that where the other information refers to the fixed asset investments balance, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the general partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the general partner's report has been prepared in accordance with applicable legal requirements.

WASTE TO ENERGY PARTNERSHIP 1

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

YEAR ENDED 5 APRIL 2020

Matters on which we are required to report by exception

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, we have not identified material misstatements in the general partner's report.

In respect solely of the limitation on our work relating to fixed asset investments, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records has been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- 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; or
- the general partner was not entitled to prepare the financial statements in accordance with the small entities regime.

Responsibilities of general partner

As explained more fully in the general partner's responsibilities statement, the general partners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partners are responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

WASTE TO ENERGY PARTNERSHIP 1
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF WASTE
TO ENERGY PARTNERSHIP 1
YEAR ENDED 5 APRIL 2020

Use of our report

This report is made solely to the Partners, as a body, in accordance with The Partnership (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partners 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 Partners as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
29 July 2020

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

WASTE TO ENERGY PARTNERSHIP 1
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 5 APRIL 2020

	Note	2020 £	2019 £
Other operating charges		<u>(69,813)</u>	<u>(62,949)</u>
OPERATING LOSS	2	(69,813)	(62,949)
Impairment Provision	4	(659,230)	(260,000)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(729,043)</u>	<u>(322,949)</u>
INTEREST RECEIVABLE	5	251,237	43,699
INTEREST PAYABLE AND SIMILAR CHARGES	6	(13,380)	(107,625)
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		<u>(491,186)</u>	<u>(386,875)</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 12 - 17 form part of these financial statements.

WASTE TO ENERGY PARTNERSHIP 1

STATEMENT OF FINANCIAL POSITION

5 APRIL 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	7	2	111,859
CURRENT ASSETS			
Debtors	8	594,328	702,986
Debtors due after more than one year	8	—	3,740,066
Cash at bank		2,581,868	1,088,537
		3,383,705	5,531,589
CREDITORS: Amounts falling due within one year	9	(134,772)	(132,778)
NET CURRENT ASSETS		3,041,424	5,398,811
TOTAL ASSETS LESS CURRENT LIABILITIES		3,041,426	5,510,670
NET ASSETS		3,041,426	5,510,670
FUNDED BY:			
Partners' capital contribution account	12	11,142	18,083
Partners' loan contribution account	12	8,899,171	15,832,785
Partners' special loan contribution account	13	2	2
Partners' further special loan contribution account	13	1,998	1,998
Partners' current account	12	(5,870,887)	(10,342,198)
		3,041,426	5,510,670

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved by the General Partner and authorised for issue on 29 July 2020

Director
For and on behalf of Waste to Energy (GP) Limited
29 July 2020

Registration Number LP13791

The notes on pages 12 - 17 form part of these financial statements.

WASTE TO ENERGY PARTNERSHIP 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2020

1. ACCOUNTING POLICIES

Basis of accounting

Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The Partnership has elected to adopt the presentation and disclosure requirements for small entities set out in Section 1A of FRS102.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared on a going concern basis in accordance with Generally Accepted Accounting Practices in the United Kingdom, The Partnerships (Accounts) Regulations 2008 and with the terms of the Partnership Agreement, which have been applied consistently.

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, the directors of Waste to Energy Company (Keszczow) Limited ("WTE") are engaging in alternative operational plans to enable the reduced size fund to complete the buy-back of the assets project to gain a new building permit, opening up the scope of prospective purchasers for this investment opportunity.

The general partner has assessed the ability of the partnership to continue as a going concern. In making this assessment the general partner has reviewed the forecasts which cover the going concern period and which take in to account the possible impact of COVID-19. The forecasts show that it has sufficient resources to continue to trade and to meet its liabilities as they fall due during the going concern period. Based on this review the general partner has concluded that the financial statements should be prepared on a going concern basis and that there is no material uncertainty within this assumption.

Cash flow statement

The Partnership has taken advantage of the exemption in Financial Reporting Standard No 102 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 2020

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.

Financial instruments

The Partnership only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WASTE TO ENERGY PARTNERSHIP 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2020

1. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the General Partner has had to make the following judgements: Determine whether there are indicators of impairment of the Partnership's investment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.

2. OPERATING LOSS

Operating loss is stated after charging:

	2020	2019
	£	£
Auditors' remuneration	<u>10,927</u>	<u>13,341</u>

3. PARTNER REMUNERATION AND EMPLOYEE INFORMATION

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

4. AMOUNTS WRITTEN OFF

During the year the profit and loss was charged with an amount of £659,230 (2019: £260,000) consisting of impairment of investments of £451,721 (2019: £260,000) and provision for the irrecoverable loan interest of £207,509 (2019: £Nil). The impairment was based on the directors' of WTE and the General Partner of the Partnership assessment that whilst some value will be realised from Polish assets, there exists considerable doubt about the amounts which can be realised as well as its timing.

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2020

5. INTEREST RECEIVABLE

	2020 £	2019 £
Interest receivable	<u>251,237</u>	<u>43,699</u>
Bank interest	4,757	5,711
Interest receivable from Waste to Energy Unit Trust	38,971	37,988
Interest receivable from associate company – note 4	<u>207,509</u>	<u>-</u>
	<u>251,237</u>	<u>43,699</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Bank charges	100	191
Foreign exchange gains and losses	<u>13,280</u>	<u>107,434</u>
	<u>13,380</u>	<u>107,625</u>

7. INVESTMENTS

	Investments £
COST	
At 6 April 2019	<u>2</u>
At 5 April 2020	<u>2</u>
LOANS	
At 6 April 2019	111,857
Additions	339,864
Loan impairments	<u>(451,721)</u>
At 5 April 2020	<u>-</u>

WASTE TO ENERGY PARTNERSHIP 1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2020

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 2020 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.

During the year developments in Poland indicated an impairment in the carrying value of the investments which was charged to the profit and loss account.

8. DEBTORS

	2020 £	2019 £
Loans to associated companies	–	3,740,066
Trust debtor	591,841	700,499
Accrued interest on loans to associated companies	207,509	-
Accrued interest impairment	(207,509)	-
Other debtors	2,487	2,487
	<u>594,328</u>	<u>4,443,052</u>

The loan to associated company (2019: £3,740,066) was repaid during the year and the accrued interest at that date at the rate of 4% per the loan agreement was £207,509 which has been included in the impairment provision as per note 4.

9. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	58,667	55,693
Accruals	76,105	77,085
	<u>134,772</u>	<u>132,778</u>

WASTE TO ENERGY PARTNERSHIP 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2020

10. RELATED PARTY TRANSACTIONS

From 23 October 2015 Vistra Trust Corporation (UK) Limited (previously 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% 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.

Included in Note 13 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
	£	£	£
Balance brought forward	15,832,785	18,083	(10,342,198)
Units redeemed - cash	(1,769,489)	(6,941)	-
Units redeemed - trust debtor	(201,628)	-	-
Units redeemed - loan w/off	(4,962,497)	-	4,962,497
Loss for the year	-	-	(491,186)
	<u>8,899,171</u>	<u>11,142</u>	<u>(5,870,887)</u>

During the year Limited Partners holding 6,941 units elected to redeem their units. Of the £1.98m paid out by the partnership to redeem the units, £201,628 was withheld by the partnership and used to repay the amounts owed by the trust.

13. SPECIAL CONTRIBUTIONS

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