

Company Registration No. 03673963 (England and Wales)

SAFETY-KLEEN UK (EUROPE) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

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SAFETY-KLEEN UK (EUROPE) LIMITED

COMPANY INFORMATION

Directors

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

Secretary

A Firth

Company number

03673963

Registered office

Profile West
950 Great West Road
Brentford
Middlesex
TW8 9ES

Independent Auditors

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

SAFETY-KLEEN UK (EUROPE) LIMITED

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SAFETY-KLEEN UK (EUROPE) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

The Company is incorporated in the United Kingdom and is an intermediate holding company of certain Group trading companies. The directors consider that the Company will continue in its role as an intermediate holding company for the foreseeable future.

Review of the business

During the year the Company continued to operate as an intermediate holding Company for the Safetykleen Group.

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

Principal risks and uncertainties

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

On behalf of the board



M Greenwood

Director

21 June 2016

SAFETY-KLEEN UK (EUROPE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Going concern

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

Results and dividends

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

The Company's loss for the financial year is £2,555,000 (2014: £2,974,000). The directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

G Baldock

P Mauguy

M Greenwood

K Buchborn-Klos

(Appointed 2 April 2015)

(Resigned 2 April 2015)

Directors' and Officers' Liability

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

Future developments

The Company will continue in its role as an intermediate holding Company for the Safetykleen Group for the foreseeable future.

Independent auditors

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

SAFETY-KLEEN UK (EUROPE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure on information to auditors

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

Financial risk management

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

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



M Greenwood

Director

21 June 2016

SAFETY-KLEEN UK (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SAFETY-KLEEN UK (EUROPE) LIMITED

Our opinion

In our opinion, Safety-Kleen UK (Europe) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

SAFETY-KLEEN UK (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SAFETY-KLEEN UK (EUROPE) LIMITED

Responsibilities for the financial statements and the audit

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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



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

21 June 2016

SAFETY-KLEEN UK (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

		Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
	Note		
Administrative expenses		(3)	(3)
Operating loss	2	(3)	(3)
Interest receivable and similar income	5	287	1,036
Interest payable and similar charges	6	(2,839)	(4,007)
Loss on ordinary activities before taxation		(2,555)	(2,974)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	14	(2,555)	(2,974)

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

There are no recognised gains and losses other than those passing through the profit and loss account. Consequently a statement of other comprehensive income has not been prepared.

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

The notes on pages 9 to 23 form an integral part of these financial statements.

SAFETY-KLEEN UK (EUROPE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Non-current assets			
Intangible fixed assets	8	5	8
Fixed asset investments	9	24,228	25,860
Debtors: amounts falling due after more than one year	10	48,238	47,309
		<u>72,471</u>	<u>73,177</u>
Current assets			
Debtors: amounts falling due within one year	10	4,909	1,790
Cash at bank and in hand		503	3,758
		<u>5,412</u>	<u>5,548</u>
Total assets less current liabilities		<u>77,883</u>	<u>78,725</u>
Creditors: amounts falling due after more than one year			
Creditors	11	(64,459)	(62,746)
Net assets		<u>13,424</u>	<u>15,979</u>
Capital and reserves			
Share premium account	13	2,000	2,000
Profit and loss account	14	11,424	13,979
Total equity		<u>13,424</u>	<u>15,979</u>

The notes on pages 9 to 23 form an integral part of these financial statements.

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

Signed on its behalf by:



M Greenwood
Director

Company Registration No. 03673963

SAFETY-KLEEN UK (EUROPE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 29 December 2013	2,000	16,953	18,953
	<hr/>	<hr/>	<hr/>
Loss for the financial year	-	(2,974)	(2,974)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	2,000	13,979	15,979
	<hr/>	<hr/>	<hr/>
Loss for the financial year	-	(2,555)	(2,555)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	2,000	11,424	13,424
	<hr/>	<hr/>	<hr/>

SAFETY-KLEEN UK (EUROPE) LIMITED

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

1 Accounting policies

1.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.11.

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

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

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

1.2 Investments in subsidiaries

Fixed asset investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment if in the opinion of the directors, one is required. Where a loan to a subsidiary is not expected to be repaid it is classified as a fixed asset investment. Impairment reviews are carried out when management determine there has been a potential indicator of impairment.

1.3 Intangible assets

Intangible assets comprise patents and trademarks. They are initially recorded at cost and amortised on a straight line basis over periods between 5 and 10 years, being the life of the patents and trademarks. Where there are events or circumstances that indicate the carrying value of intangibles may not be recovered in full, an impairment test is undertaken and provision made against the carrying value of assets as required. In addition there are other live patents which have been fully amortised and therefore neither their cost or depreciation has been included in the financial statements.

1.4 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

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

(i) Financial assets

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

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

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

(ii) Financial liabilities

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

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

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Taxation

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

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

Current tax

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

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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

1.8 Foreign exchange

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

1.9 Interest income

Interest income is recognised using the effective interest rate method.

1.10 Group financial statements

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

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.11 Critical accounting estimates and judgements

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

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

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

i) Impairment of investments

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

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

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

At 31 December 2015 the carrying value of long life assets is disclosed in note 9. If cash flow or discount rate assumptions were to change, impairment losses may be recognised in the next financial year.

(ii) Taxation

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

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

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

No deferred tax asset has been recognised in relation to the capital allowances in excess of depreciation and capital losses as it is not considered probable that there will be future taxable profits available. The company has unrecognised deferred tax assets of £142,758. It is possible that the deferred tax assets actually recoverable may differ from the amounts recognised if actual taxable profits differ from estimates.

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Operating loss for the year

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Operating loss for the year is stated after charging:		
Amortisation of intangible assets	3	3
	<u>3</u>	<u>3</u>

3 Auditors' remuneration

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

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Fees payable to the company's auditors for the audit of the company's annual financial statements	3	3
	<u>3</u>	<u>3</u>

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

SAFETY-KLEEN UK (EUROPE) LIMITED

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

4 Employee information and directors' emoluments

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

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

Their aggregate remuneration received by the directors during the year is as follows:

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

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

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

5 Interest receivable and similar income

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest on amounts due from group companies	287	1,036
	<u>287</u>	<u>1,036</u>

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Interest payable and similar charges	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest on amounts payable to group companies	100	663
Other interest payable	5	7
	<hr/>	<hr/>
Total interest expense	105	670
Exchange differences on financing transactions	2,734	3,337
	<hr/>	<hr/>
	<u>2,839</u>	<u>4,007</u>

SAFETY-KLEEN UK (EUROPE) LIMITED

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

7 Tax on loss on ordinary activities

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Total tax charge for the year	-	-

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(2,555)	(2,974)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 - 21.50%)	(517)	(639)
Group relief	517	639
Total tax charge for the year	-	-

The main rate of corporation tax in the UK was reduced to 20% from 1 April 2015. Accordingly, the company's losses for this accounting year are taxed at an effective rate of 20.25%.

No deferred tax asset has been recognised in relation to the capital allowances in excess of depreciation and capital losses as it is not considered probable that there will be future taxable profits available. The company has unrecognised deferred tax assets of £142,758.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Intangible fixed assets

	Other intangible assets £'000
Cost	
At 1 January 2015	63
At 31 December 2015	63
Amortisation	
At 1 January 2015	55
Charge for the year	3
At 31 December 2015	58
Carrying amount	
At 31 December 2015	5
At 31 December 2014	8

The amounts above relate to patents and trademarks held in the name of the company which are amortised on a straight-line basis over 5 and 10 years respectively, being the life of the patents and trademarks.

9 Investments

	2015 £'000	2014 £'000
Shares in group undertakings and participating interests	24,228	23,920
Loans to group undertakings and participating interests	-	1,940
	24,228	25,860

During the year the Company further invested the following amounts in the share capital of its existing subsidiaries: Servicekleen do Brasil Ltda BRL £150,000 (2014: £250,000) and Safety-Kleen Parça Temizlik Hizmetleri Limited TRY £158,000 (2014: £202,000).

Fair value of financial assets carried at amortised cost

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

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Investments

(Continued)

Movements in fixed asset investments

	Loans £'000	Shares £'000	Total £'000
Cost or valuation			
At 1 January 2015 & 31 December 2015	1,940	23,920	25,860
	<u> </u>	<u> </u>	<u> </u>
Impairment			
At 1 January 2015 & 31 December 2015	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2015	1,940	23,920	25,860
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	1,940	23,920	25,860
	<u> </u>	<u> </u>	<u> </u>

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Investments

(Continued)

The subsidiary undertakings of the Company, as at the balance sheet date are:

Subsidiary undertakings	Country of incorporation	Principal activity	% ordinary shares and voting rights
Safety-Kleen Beteiligungs GmbH	Germany	Holding company	100.00
Safety-Kleen Deutschland GmbH	Germany	Parts washing and chemical application services	100.00
Safety-Kleen Grundbesitz GmbH	Germany	Holding company	100.00
Orm Bergold Chemie GmbH & Co KG	Germany	Waste collection and recycling	100.00
Orm Chemie GmbH	Germany	Holding company	100.00
SK 5 Limited	United Kingdom	Holding company	100.00
Safety-Kleen Ireland Limited	Ireland	Parts washing and chemical application services	100.00
Safety-Kleen Belgium SA	Belgium	Parts washing and chemical application services	100.00
Safety-Kleen (Netherlands) BV*	Netherlands	Holding company	100.00
Safety-Kleen Hungary KFT*	Hungary	Parts washing and chemical application services	99.50
Co-Ba 2000 KFT*	Hungary	Parts washing and chemical application services	99.80
Safety-Kleen Slovakia s.r.o.*	Slovakia	Parts washing and chemical application services	85.00
Safety Kleen CZ. s.r.o.*	Czech Republic	Parts washing and chemical application services	90.00
Safety-Kleen Parça Temizlik Hizmetleri Limited*	Turkey	Parts washing and chemical application services	100.00
Global Kleen HK Limited*	Hong Kong	Parts washing and chemical application services	100.00
Servicekleen do Brasil Ltda*	Brazil	Parts washing and chemical application services	100.00

* denotes direct holding by Safety-Kleen UK (Europe) Limited. Where investments held are not 100% of the shares and voting rights, the balance is owned by other group companies.

The Directors believe that the book value of investments is supported by their underlying net assets.

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Other receivables	8	8	-	-
Amounts due from fellow group undertakings	4,901	1,782	48,238	47,309
	<u>4,909</u>	<u>1,790</u>	<u>48,238</u>	<u>47,309</u>

Amounts owed by group undertakings are unsecured and incur interest at REPO +1% to 2% fixed at the date of the loan contract and have no fixed date of repayment.

11 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts due to fellow group undertakings	<u>64,459</u>	<u>62,746</u>

Amounts owed to group undertakings are unsecured, incur interest at REPO + 1% and have no fixed date of repayment. Confirmation has been received that no repayment will be demanded within the foreseeable future.

12 Called up share capital	2015 £'000	2014 £'000
Allotted, called up and fully paid		
3 (2014: 3) ordinary shares of £1 each	<u>-</u>	<u>-</u>

13 Share premium account	£'000
At 29 December 2013 & 1 January 2015	<u>2,000</u>
At 31 December 2014 & at 31 December 2015	<u>2,000</u>

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Profit and loss account

	£'000
At 29 December 2015	16,953
Loss for the financial year	(2,974)
	<hr/>
At 31 December 2014	13,979
Loss for the financial year	(2,555)
	<hr/>
At 31 December 2015	11,424
	<hr/>

15 Events after the reporting date

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

16 Contingent liabilities

The Company had guarantees of £320,000 (2014: £320,000) outstanding at the balance sheet date in respect of employers liability insurance and fleet lease contracts.

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

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

17 Ultimate parent company and ultimate controlling party

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

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

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Reconciliations on adoption of FRS 102

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

Reconciliation of equity

	At 29 December 2013			At 31 December 2014		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Non-current assets						
Intangible fixed assets	11	-	11	8	-	8
Investments	29,900	-	29,900	25,860	-	25,860
Debtors: amounts due after more than one year	46,202	-	46,202	47,309	-	47,309
	<u>76,113</u>	<u>-</u>	<u>76,113</u>	<u>73,177</u>	<u>-</u>	<u>73,177</u>
Current assets						
Debtors: amounts due within one year	5,301	-	5,301	1,790	-	1,790
Bank and cash	3,453	-	3,453	3,758	-	3,758
	<u>8,754</u>	<u>-</u>	<u>8,754</u>	<u>5,548</u>	<u>-</u>	<u>5,548</u>
Total assets less current liabilities	<u>84,867</u>	<u>-</u>	<u>84,867</u>	<u>78,725</u>	<u>-</u>	<u>78,725</u>
Creditors: amount due after more than one year						
Creditors	(65,914)	-	(65,914)	(62,746)	-	(62,746)
Net assets	<u>18,953</u>	<u>-</u>	<u>18,953</u>	<u>15,979</u>	<u>-</u>	<u>15,979</u>
Capital and reserves						
Share premium account	2,000	-	2,000	2,000	-	2,000
Profit and loss account	16,953	-	16,953	13,979	-	13,979
Total equity	<u>18,953</u>	<u>-</u>	<u>18,953</u>	<u>15,979</u>	<u>-</u>	<u>15,979</u>

SAFETY-KLEEN UK (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss for the year

	Year ended 31 December 2014		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
Administrative expenses	(3)	-	(3)
Interest receivable and similar income	1,036	-	1,036
Interest payable and similar charges	(4,007)	-	(4,007)
Loss on ordinary activities before taxation	(2,974)	-	(2,974)
Tax on ordinary activities	-	-	-
Loss for the financial year	(2,974)	-	(2,974)