

COMPANY REGISTRATION NUMBER

8498449

Hydrodec Holdco Limited

Annual Report and Financial Statements

31 December 2015

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COMPANIES HOUSE

Hydrodec Holdco Limited

Directors and Advisers

Company registration number: 8498449

Director: Chris Ellis

Registered office: 6 Hays Lane, London SE1 2HB

Auditor: KPMG LLP
15 Canada Square
London E14 5GL

Hydrodec Holdco Limited

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Hydrodec Holdco Limited

Report of the Directors

For the year ended 31 December 2015

The Director presents the Annual Report on the affairs of the Company, together with the financial statements and auditor's report for year ended 31 December 2015.

Principal activities and business review

The principal activity of the Company is that of an investment holding company.

Financial key performance indicators

From the perspective of the Company, key performance indicators are managed on a basis consistent with those of the Group and are set out in the Strategic Report of the Annual Report and Financial Statements of Hydrodec Group plc for the year ended 31 December 2015, which do not form part of this report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Hydrodec Group plc, the Company's immediate parent undertaking are discussed within the "Principal risks and uncertainties" section of the Strategic Report of the Annual Report and Accounts of Hydrodec Group plc for the year ended 31 December 2015, which do not form part of this report.

Going concern

The parent of the Company has confirmed that it shall assist in meeting the Company's liabilities as and when they fall due, to the extent that funds are not otherwise available to meet these liabilities. The ultimate parent company has agreed to provide the financial support outlined above for a period at least 12 months from the date of signing of the accounts for the period ended 31 December 2015. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Results and dividends

The loss for the period, after taxation, amounted to £1,832. No dividends were paid or proposed during the period.

Directors

The Directors who served the Company during the year were as follows:

Chris Ellis

Ian Smale (resigned 4 December 2015)

Directors' indemnity and insurance

The Company has made qualifying third-party indemnity provisions, as defined by section 236 of the Companies Act 2006, for the benefit of its Directors which remain in force at the date of this report. The Company has also arranged Directors' and officers' liability insurance.

Company secretary

The Company secretary who served the Company during the year was as follows:

James Hodges (resigned 10 June 2016)

Political donations

The Company made no political donations and incurred no political expenditure during the year.

Statement of Director's responsibilities

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Hydrodec Holdco Limited

Report of the Directors

For the year ended 31 December 2015

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing each of the financial statements, the Director is required to:

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

The Director is 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 its financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

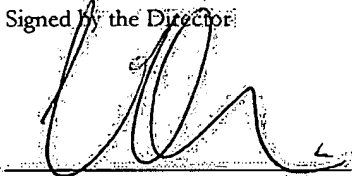
Disclosure of information to auditor

The Director who held office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and he has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Signed by the Director:



Chris Ellis
Director

Approved by the Director on 21 June 2016

Independent auditor's report to the members of Hydrodec Holdco Limited

We have audited the financial statements of Hydrodec Holdco Limited for the period ended 31 December 2015 set out on pages 4 to 12. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Director and auditor

As explained more fully in the Statement of Director's responsibilities set out on pages 1 to 2, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

23 June 2016

Hydrodec Holdco Limited

Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015 £	2014 £
Administrative expenses	3	(1,832)	—
Loss for the year and total comprehensive income for the year		(1,832)	—

The notes on pages 7 to 12 form part of these financial statements.

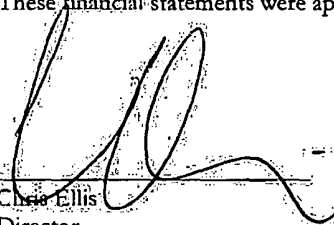
Hydrodec Holdco Limited

Statement of Financial Position

As at 31 December 2015

		As at 31 December 2015	As at 31 December 2014
	Note	£	£
Non-current assets			
Investments	5	6	6
Total non-current assets		<u>6</u>	<u>6</u>
Current assets			
Trade and other receivables	6		255
Cash and cash equivalents		13	45
Total current assets		<u>13</u>	<u>300</u>
Current liabilities			
Loans and borrowings	7	(1,551)	(6)
Total current liabilities		<u>(1,551)</u>	<u>(6)</u>
Net current liabilities		<u>(1,538)</u>	<u>294</u>
Net (liabilities)/assets		<u>(1,532)</u>	<u>300</u>
Equity			
Share capital	8	300	300
Retained earnings	9	(1,832)	-
Total equity		<u>(1,532)</u>	<u>300</u>

These financial statements were approved and signed by the Director and authorised for issue on 21 June 2016:


Chris Ellis
Director
21 June 2016

Company Registration Number: 8498449

The notes on pages 7 to 12 form part of these financial statements.

Hydrodec Holdco Limited

Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2013	300	-	300
Total comprehensive income			
Loss for the year			
Total comprehensive income			
Total contributions and distributions			
Total transactions with owners of the Company			
Balance at 31 December 2014	300	-	300
Total comprehensive income			
Loss for the year		(1,832)	(1,832)
Total comprehensive income		(1,832)	(1,832)
Total contributions and distributions			
Total transactions with owners of the Company			
Balance at 31 December 2015	300	(1,832)	(1,532)

The notes on pages 7 to 12 form part of these financial statements.

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The Company has elected to early adopt the standard for the period ended 31 December 2015 for the first time.

The Company is incorporated and domiciled in the UK.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the period.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on the going concern basis, which the director believes to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Hydrodec Group plc, the Company's ultimate parent. Hydrodec Group plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. The director considers that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on these indications the director believes that it remains appropriate to prepare the financial statements on a going concern basis.

Changes in accounting policies

The Company has adopted FRS 101 for the first time this year. The Company has elected to adopt the transition provisions as per IFRS 1 'First-time Adoption of International Financial Reporting Standards' with effect from 1 January 2014, the effective date of transition. In the transition to FRS 101 from UK GAAP the Company has made no recognition and measurement adjustments.

Parent company

The Company is a wholly owned subsidiary of Hydrodec Group plc which prepares consolidated financial statements under IFRS as adopted by the European Union in which these accounts are included. These accounts are available from www.hydrodec.com

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

Disclosure exemptions adopted

The following disclosure exemptions available under FRS 101 have been adopted:

- Preparation of a cash flow statement
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group as they are wholly owned within the group
- Disclosure of key management personnel compensation
- Capital management disclosures
- Disclosures in respect of standards in issue not yet effective

The following disclosure exemption has also been adopted as equivalent disclosures are provided in the parent consolidated financial statements:

- Reduced financial instruments disclosures relating to IFRS 7 Financial Instruments: Disclosures as equivalent disclosures are provided by the parent entity.

Functional and presentation currency

The financial statements are presented in United Kingdom Pound Sterling which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Measurement convention

The financial statements are prepared on the historical cost basis except where stated otherwise in accounting policies.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Investments

Investments in group companies are stated at cost.

Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

All transactions with owners of the parent are recorded separately within equity.

Provisions, contingent assets and contingent liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgment

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

2. Turnover

The Company has not traded and has incurred legal fees and bank charges in the year ended 31 December 2015. Auditor's remuneration is paid through the parent company, Hydrodec Group plc.

3. Administrative expenses

	2015	2014
	£	£
Other	1,832	-

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

4. Directors' remuneration

Chris Ellis and Ian Smale were remunerated by the ultimate parent company, Hydrodec Group plc. None of the Directors held or exercised any share options in the Company. There is no separate remuneration identified for services provided by the Directors relating to Hydrodec Holdco Limited.

5. Investments

	Shares in subsidiaries
	£
Cost	
At 31 December 2014	6
Additions	
At 31 December 2015	6
Provisions	
At 31 December 2014	
Additions	
At 31 December 2015	
Net book value	
At 31 December 2014	6
At 31 December 2015	6

At 31 December 2015, the Company had interests in the following subsidiaries:

Name	Country of incorporation	Percentage of ordinary shares held	Activity
Hydrodec (UK) Limited	UK	100%	Oil treatment services
Hydrodec Re-refining (UK) Limited	UK	100%	Oil treatment services
Hydrodec Development Corporation (UK) Limited	UK	100%	Technology company

6. Trade and other receivables

	2015	2014
	£	£
Loans to parent company	-	255

7. Loans and borrowings

	2015	2014
	£	£
Current liabilities		
Loan from related parties	1,551	6

The intercompany loans are repayable on demand with the Lender entitled to waive entitlement to interest on the loan.

Hydrodec Holdco Limited

Notes to the financial statements

For the year ended 31 December 2015

8. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
51,000 ordinary shares of 0.5p each	255	255
3,000 A Class shares of 0.5p each	15	15
3,000 B Class shares of 0.5p each	15	15
3,000 C Class shares of 0.5p each	15	15
	<hr/>	<hr/>
	300	300

9. Retained earnings

	2015	2014
	£	£
Loss for the period	(1,832)	-
Balance carried forward	<hr/> (1,832)	<hr/> -

10. Contingent liabilities

There were no contingent liabilities at 31 December 2015.

13. Related party transactions

There are no related party transactions with entities that are not wholly owned subsidiaries of the parent company.

14. Ultimate parent company

The Company is controlled by its immediate and ultimate parent company, Hydrodec Group plc, a company incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company Hydrodec Group plc, a company incorporated in the United Kingdom. The consolidated accounts of Hydrodec Group plc are available from the group's website (www.hydrodec.com).