COMPANY REGISTRATION NUMBER

08652156

Hydrodec (UK) Limited

Report and financial statements

31 December 2015

Officers and professional advisers

Directors:	Ian Smale (resigned 4 December 2015) Chris Ellis (resigned 4 March 2016) Andrew Black (appointed 4 March 2016) *David Dinwoodie (appointed 4 March 2016)* Mark Olpin (appointed 4 March 2016)
Company secretary:	James Hodges (resigned 4 March 2016)
Registered office:	Enterprise House Barracks Road Sandy Lane Industrial Estate Stourport-on-Severn Worcestershire DY13 9RW
Auditor:	KPMG LLP 15 Canada Square London E14 5GL

Hydrodec (UK) Limited

Strategic Review

Year Ended 31 December 2015

Principal activities and business review
The principal activities of the company are the collection and processing of waste lubricant oil, together with related waste services, and the sale of processed fuel oil.

Key performance indicators

	Year ended 31 December 2015	16 Months ended 31 December 2014
Turnover (£'000)	22,094	27,960
EBITDA (£'000)	(4,319)	320
Loss after tax (£'000)	(7,633)	(3,072)
Volumes ('000 litres)	47,670	48,400
Average number of employees	184	179

The company experienced challenging trading conditions as a result of the significant decrease in the oil price. Turnover and margins were adversely affected and stock was written down, resulting in a loss for the year. The acquisition and integration of the business and assets of Eco-Oil from Eco-Oil International Limited on 2 April 2015 and subsequent restructuring costs further contributed to the loss. The decision was taken to impair fully the intangible assets which accounted for the remainder of the loss.

On 4 March 2016 Mr Andrew Black acquired the company from Hydrodec Group plc. Subsequently, Greenbottle Limited acquired the company from Mr Andrew Black on 13 April 2016, a company which is fully owned by Mr Andrew Black.

Principal risks and uncertainties
The management of the business and the execution of the company strategy are subject to the following risks:

Credit and liquidity risk
The company's sources of funding currently comprise of operating cash flow, bank borrowings and intercompany loans with the current parent company, Greenbottle Limited. There is a guarantee and right of set off between the company and certain other group undertakings in respect of bank borrowings.

Pricing risk
The selling price of processed fuel oil is exposed to movements in the Platts and gas oil indices. This exposure has been mitigated by aligning feedstock acquisition pricing with the same indices.

Foreign exchange risk
The Platts index is denominated in US Dollars and the company also exports oil with the sales denominated in US Dollars. Currently no hedging instruments are used. Management keeps under review the extent of its exposure to currency fluctuation.

Future developments
The general economic climate has been difficult but improving during the first half of 2016. Oil prices have increased significantly from the low point in January 2016. As a result of improving oil prices and greater demand for processed oil, together with the realised operational efficiencies from the integration of Eco-Oil and other rationalisation activities completed in 2015, the directors expect trading conditions to improve over the course of the year. Since the acquisition of the company by Greenbottle Limited there has been significant investment in people and processes together with a considerable injection of capital and working capital. This has enabled the directors to pursue new business opportunities, focus on market share and invest in the transport fleet and in processing and exporting facilities.

Going concern
The directors have a reasonable expectation that the company has resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Signed on behalf of the directors

Mark Olpin
Managing Director

Approved by the directors on 28 September 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

Results and dividends
The loss for the year, after taxation, amounted to £7,633,000 (16 Months ending 31 December 2015: loss of (£3,072,000). No dividends were paid or proposed during the period.

Financial instruments
Details of the Company's financial risk management objectives and policies are included in note 18 of the Annual Report and finance statements of Hydrodec Group plc, the ultimate parent company on 31 December 2015.

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

Ian Smale (resigned 4 December 2015)
Chris Ellis (resigned 4 March 2016)

Disclosure of information to auditor
The directors confirm that:

- So far as the directors are aware there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disabled employees
The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement
The Group has developed arrangements to keep employees informed on matters that concern them and on the progress of the business, and in many units formal team briefing is used. The views of employees are taken into account in making decisions that are likely to affect their interests. Communication with employees continues through regular group and company newsletters.

The company's policies for recruitment, training, career development and promotion of employees are based on the suitability of the individual and give those who are disabled equal treatment with the able bodied. In addition, the company does not discriminate against employees or potential employees on the basis of race, colour, nationality, ethnic or national origin, religion, political beliefs, sex or marital status. Where appropriate, employees disabled after joining the company are given suitable training for employment with the company or elsewhere.

Hydrodec (UK) Limited

The directors' report

Year ended 31 December 2015

Political Contributions
The company made no political donations or incurred any political expenditure during the year.

Name Change
On 15 August 2016 the directors resolved to rename the company Slicker Recycling Limited. The company is in the process of registering the name change with Companies House.

Signed on behalf of the directors

Mark Olpin
Managing Director

Approved by the directors on 28 September 2016

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

Year ended 31 December 2015

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework. 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 that period. In preparing those financial statements, the directors are 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;
- 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.

Independent auditor's report to the members of Hydrodec (UK) Limited

We have audited the financial statements of Hydrodec (UK) Limited for the year ended 31 December 2015 set out on pages 8 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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). 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 its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- 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 Strategic Report and 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

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, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lynton Richmond

Lynton Richmond
(Senior Statutory Auditor)
For and on behalf of KPMG LLP
Statutory Auditor
Chartered Acountants
15 Canada Square
London
E14 5GL

30th September 2016

Hydrodec (UK) Limited

Statement of Comprehensive Income

Year ended 31 December 2015

	Note	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Turnover	2	22,094	27,960
Cost of sales		(22,006)	(24,124)
Gross profit		**88**	**3,836**
Other Income:			
Profit on disposal of assets		581	911
Gain on bargain purchase	23	597	260
Amortisation of intangible assets	9	(1,256)	(1,007)
Impairment of intangible assets	9	(1,840)	-
Administrative expenses		(5,909)	(6,416)
Operating loss	3	**(7,739)**	**(2,416)**
Interest payable and similar charges	7	(326)	(787)
Loss on ordinary activities before taxation		**(8,065)**	**(3,203)**
Tax on loss on ordinary activities	8	432	131
Loss for the year/period and total comprehensive loss for the period		**(7,633)**	**(3,072)**

All of the activities of the company are classed as continuing.

The notes on pages 11 to 31 form part of these financial statements

Hydrodec (UK) Limited

Statement of Financial Position

At 31 December 2015

	Note	As at 31 December 2015 £'000	As at 31 December 2014 £'000
Fixed assets			
Intangible assets	9	-	1,758
Tangible assets	10	4,801	4,187
		4,801	5,945
Current assets			
Stocks	11	276	566
Debtors due within one year	12	3,461	3,002
		3,737	3,568
Creditors: Amounts falling due within one year	14	(7,023)	(4,016)
Net current liabilities		(3,286)	(448)
Total assets less current liabilities		1,515	5,497
Creditors: Amounts falling due after more than one year to parent company	15	-	(7,749)
Creditors: Amounts falling due after more than one year to third parties	15	(55)	(233)
Provisions for liabilities	17	(690)	(587)
Net assets/(liabilities)		770	(3,072)
Capital and reserves			
Called-up equity share capital	20	-	-
Capital contribution reserve	21	11,475	-
Profit and loss account		(10,705)	(3,072)
Shareholders funds		770	(3,072)

These financial statements were approved by the directors and authorised for issue on 28 September 2016, and are signed on their behalf by:

Mark Olpin
Managing Director
28 September 2016
Company Registration Number: 08652156

The notes on pages 11 to 31 form part of these financial statements

Hydrodec (UK) Limited

Statement of Changes in Equity

At 31 December 2015

Attributable to owners of the company

	Share capital £'000	Capital Contribution Reserve £'000	Profit and loss account £'000	Total £'000
16 months to 31 December 2014				
Loss for the period			(3,072)	(3,072)
Transactions with owners				
Issue of share capital	-	-	-	-
Balance at 31 December 2014	**-**	**-**	**(3,072)**	**(3,072)**
Year to 31 December 2015				
Loss for the year			(7,633)	(7,633)
Transaction with owners:				
Funds contributed by shareholders (note 21)		11,475		11,475
Issue of share capital	-	-	-	-
Total	**-**	**11,475**	**(10,705)**	**770**

The notes on pages 11 to 31 form part of these financial statements

1 **Accounting policies**

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The amounts are presented in GBP and to the nearest £1,000.

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.

Going Concern

Notwithstanding net current liabilities of £3,286,000 the Directors have concluded that the company is a going concern.

On 13 April 2016 the Company was acquired by Greenbottle Limited. Since the acquisition date the Company has received significant funds for capital and working capital projects. As at the date of signing this report the company has significant positive cash balances and access to sufficient short term borrowings as and when required.

During 2016 the Company has signed several significant contracts which secure outlets for its processed oil. Together with increasing demand and an increasing oil price this has resulted in increasing revenues from the sale of processed oil. Additionally, the Company is benefitting from a significantly reduced cost base and improved productivity resulting from the restructuring undertaken in 2015 and which continues in 2016. Improving revenues and reduced costs have translated into positive cash inflows and working capital.

Furthermore, as a result of re-negotiating contracts with customers and introducing collection charges the Company has succeeded in protecting margin from fluctuating oil prices.

Consequently, the directors have a reasonable expectation that the company has resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Parent company

As at 31 December 2015 the company was a wholly owned subsidiary of Hydrodec Group plc who prepare 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

On 4 March 2016 Mr Andrew Black acquired the Company from Hydrodec Group plc, subsequently Greenbottle Limited acquired the company on 13 April 2016 as disclosed in note 25.

Disclosure exemptions adopted

The following disclosure exemptions have been adopted:

- Preparation of a cash flow statement
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered

1 **Accounting policies (continued)**

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 as equivalent disclosures are provided by the parent entity.*

True and fair override

Under the UK Generally Accepted Accounting Principles (UK GAAP), goodwill is normally amortised however, as the company is adopting FRS 101 that uses the recognition and measurement principles of IFRS, goodwill is not amortised and this therefore constitutes a departure from UK GAAP in order to provide a true and fair view.

Business combinations

The company applies the acquisition method in accounting for business combinations. The consideration transferred by the company to obtain control of a business is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the company, which includes contingent consideration arrangements where payment is probable. Acquisition costs are expensed as incurred.

The company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss in the periods expected to be benefited.

Foreign currency translation
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 remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

1 Accounting policies (continued)

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.

Revenue

Revenue from ordinary activities is recognised where it is likely that future economic benefits will accrue to the company and this income can be assessed reliably. Such income is assessed at the fair value of the consideration to be received.

Income from the collection of oil is recognised as of completion of the contractually agreed assignments.

Income from the sale of oil is recognised with the risks and rewards of ownership of the goods passes to the customer, which is normally upon delivery, and when the amount of revenue can be measured reliably.

Interest and dividends

Interest income and expenses are reported on an accruals basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

Operating expenses

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Non-amortisation constitutes a true and fair override.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost and amortised over their useful lives. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

1 Accounting policies (continued)

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered to have finite useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied: 3 years for customer contracts and brand name.

Customer contracts and brand name

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets. Subsequent expenditure on the maintenance of computer software and brand names are expensed as incurred.
When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Fixed assets
Land

Land held for use in the business is stated at cost, including those costs directly attributable to acquiring the land.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, IT equipment and other equipment

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the company's management. Buildings and IT equipment also include leasehold property held under a finance lease. Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

- Freehold buildings and long leaseholds (with 50 years or more to run) are depreciated at 2%pa

- Short leaseholds over the term of the lease

- Plant and machinery 3 to 15 years

- Freehold land and assets in the course of construction are not depreciated.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

1 Accounting policies (continued)

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Leased assets

The company records its finance lease contracts as assets in its balance sheet as of the effective date of the lease. The amount recorded in the balance sheet is the lesser of the fair value of the asset and the present value of the minimum lease payments.

Finance leases transfer virtually all risks and benefits of ownership to the lessee, and comply with the main indications referred to in IAS 17, which are as follows:

- an option to transfer ownership upon expiry of the lease, the terms and conditions of such option being such that, as at the date of execution of the contract, there appears to be a high probability of transfer of ownership;

- the term of the lease spans most of the useful life of the asset under the lessee's conditions of use; and

- the present value of minimum lease payments is comparable to the fair value of the leased asset upon execution of the lease.

Finance lease payments are broken down into interest and reduction of the outstanding liability, so as to obtain a constant periodic interest rate on the remaining balance of the liability.

The interest costs are directly recorded in the income statement.

Contracts characterised as operating leases are not subject to restatement.

Operating leases are recorded as expenditure, in most cases on a straight line basis until expiry of the contract.

Fixed assets purchased under finance leases are recorded as assets in the balance sheet and depreciated over the same periods as those described hereinabove where the Group expects to obtain title to the asset upon expiry of the lease. Otherwise, the asset is depreciated over the shorter of the useful life of the asset and the term of the lease.

The company must occasionally carry out sale and leaseback transactions in respect of certain assets. In accordance with IAS 17, the accounting treatment of these transactions depends inter alia on the following:

- Subsequent classification of the lease entered into (operating lease or finance lease);
- Terms of sale of the asset previously held (arm's length selling price).

1 **Accounting policies (continued)**

Impairment testing of goodwill, other intangible assets and fixed assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash-flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

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.

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
- financial assets at fair value through profit or loss (FVTPL)

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.

1 **Accounting policies (continued)**

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, trade and other payables and derivative financial instruments.

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.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL. The company has not elected to adopt hedge accounting hence the fair value movements are recognised within comprehensive income.

Stock

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinary interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

1 **Accounting policies (continued)**

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.

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.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of those temporary differences can be controlled by the company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

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.

1 **Accounting policies (continued)**

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.

Capital contribution reserve represents funds that have been contributed to the Company by the shareholders. This includes debt forgiven by shareholders.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Post-employment benefits and short-term employee benefits

Post-employment benefits plans
The company voluntary pays into a group pension scheme should the need arise. The company has no legal or constructive obligations to pay contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1 **Accounting policies (continued)**

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.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

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.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In the period, the company did not need to recognise any impairment loss on its intangible assets.

2 **Turnover**

The turnover and profit before tax are attributable to the principal activities of the company, which are the provision of collection of waste oil and sale of processed fuel oil. Turnover arises from the United Kingdom as well as from exports of oil.

3 Operating loss

Operating loss is stated after charging/(crediting):

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Depreciation	921	1,846
Auditor's remuneration	24	23
Operating lease costs		
- Plant and equipment	963	634
- Land and buildings	325	426
Net loss/(gain) on foreign currency translation	1	(1)

4 Particulars of employees

The average number of staff employed by the company during the period amounted to:

	2015 No	2014 No
Direct labour	161	160
Administration	23	19
	184	179

The aggregate payroll costs of the above were:

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Wages and salaries	5,948	6,711
Social security costs	560	657
Other pension costs	103	119
	6,611	7,487

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £103,115 (2014: £119,000). The unpaid employee and employer contributions at the year end were £56,008 (2014: £22,000).

5 **Directors' remuneration**

Two of the directors, Ian Smale and Christopher Ellis are remunerated by the parent company, Hydrodec Group plc. Iain Lees was a director and remunerated by the company from 16 September 2013 to 16 September 2014. The directors' aggregate remuneration by the company in respect of qualifying services was:

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Remuneration receivable	-	210
Value of company pension contributions to money purchase schemes	-	19
	-	229

For the 16 Months ended 31 December 2014 one director accrued benefits under company pension schemes. None of the directors held or exercised any share options in the company.

6 **Interest receivable**

There was no interest receivable by the company during the period.

7 **Interest payable and similar charges**

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Interest payable on bank borrowing	18	4
Finance lease charges	1	150
Interest payable to group undertakings	307	613
Other interest payable	-	20
	326	787

8 Taxation on ordinary activities

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Current tax	-	-
Deferred tax:		
Origination and reversal of temporary differences	115	131
Recognition of previously unrecognised tax losses	317	-
	432	131

Reconciliation of loss before taxation and the total tax charge for the period:

	Year ended 31 December 2015 £'000	16 months ended 31 December 2014 £'000
Loss before tax for the period	(8,065)	(3,203)
Tax credit based on the standard rate of corporation tax in the UK of 20.25% (2014 21.875%)	1,633	701
Effects of:		
Tax exempt income	121	-
Current period losses for which no deferred tax asset was recognised	(1,754)	(701)
Recognition of previously unrecognised tax losses	317	-
Reduction in tax rate	35	-
Change in recognised deductible temporary differences	80	131
	432	131

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax liability at 31 December 2015 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and would reduce the deferred tax liability by £18,000.

9 Intangible fixed assets

	Customer contracts £'000	Brand name £'000	Total £'000
Cost			
Additions (OSS assets)	1,429	1,336	2,765
At 31 December 2014	**1,429**	**1,336**	**2,765**
Additions (Eco-Oil assets)	520	818	1,338
At 31 December 2015	**1,949**	**2,154**	**4,103**
Amortisation and impairment			
Amortisation for the period	483	524	1,007
At 31 December 2014	**483**	**524**	**1,007**
Amortisation for the year	606	650	1,256
Impairment charge	860	980	1,840
At 31 December 2015	**1,949**	**2,154**	**4,103**
Net book value at 31 December 2014	946	812	1,758
Net book value at 31 December 2015	**-**	**-**	**-**

On 2 April 2015 the company acquired the trade and assets of Eco-Oil from Eco-Oil International Limited. On 6 September 2013 the company acquired the trade and assets of OSS Group Limited (in administration) ('OSS') from the administrators of OSS.

10 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
Additions (OSS assets)	1,165	4,728	5,893
Additions	31	440	471
Disposals	-	(694)	(694)
At 31 December 2014	**1,196**	**4,474**	**5,670**
Additions (Eco-Oil assets)	485	1,998	2,483
Additions	-	162	162
Disposals	(280)	(1,369)	(1,649)
At 31 December 2015	**1,401**	**5,265**	**6,666**
Depreciation			
Charge for the period	51	1,795	1,846
Released on disposal	-	(363)	(363)
At 31 December 2014	**51**	**1,432**	**1,483**
Charge for the year	37	884	921
Released on disposal	(35)	(504)	(539)
At 31 December 2015	**53**	**1,812**	**1,865**
Net book value at 31 December 2014	**1,145**	**3,042**	**4,187**
Net book value at 31 December 2015	**1,348**	**3,453**	**4,801**

Freehold land

Included in the net book value of land and buildings of £1,348,361 (2014: £1,145,000) is an amount of £30,000 (2014: £30,000) that relates to freehold land.

Finance lease agreements

Included within the net book value of £4,801,000 (2014: £4,187,000) is £118,736 (2014: £820,000) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £32,383 (2014: £521,000).

Capital commitments

Excluded from the fixed assets are capital commitments falling due in the next 12 months totalling nil (2014: £21,000).

11 Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	241	373
Finished goods	35	193
	276	**566**

In the opinion of the directors, the replacement cost of stocks is not materially different from that shown above.

12 Debtors

	2015 £'000	2014 £'000
Trade debtors	2,940	2,178
Other debtors	3	54
Prepayments and accrued income	518	770
	3,461	3,002

All of the company's trade and other receivables have been reviewed for indicators of impairment. An allowance for credit losses of £117,483 (2014: £21,000) has been recorded accordingly within other expenses.

13 Deferred taxation

The movement in the deferred taxation account during the period was:

	£'000
Liabilities	
On acquisition of business of OSS	392
Profit and loss account movement arising during the period	(131)
Tax liability at 31 December 2014	261
On acquisition of business of Eco-Oil	171
Profit and loss account movement arising during the period	(115)
Tax liability at 31 December 2015	**317**
Assets	
Deferred tax asset at 1 January 2014 and 31 December 2014	-
Previously unrecognised accumulated losses	317
Tax asset at 31 December 2015	**317**
Net deferred tax liability	-

Fixed asset temporary differences at 31 December 2015 have caused the deferred tax liability. A deferred tax asset of £1,293,000 (2014: £672,000) in respect of unused losses against future taxable profits is not recognised due to the uncertainty of future taxable profits. The net position is seen in note 17.

14 Creditors: Amounts falling due within one year

	2015 £'000	2014 £'000
Bank overdraft	968	424
Borrowings	1,890	-
Trade creditors	2,001	737
Accruals and deferred income	1,568	2,011
Other taxes and social security	554	647
Hire purchase and finance lease agreements	42	197
	7,023	**4,016**

The finance leases for equipment are secured on the assets concerned.

15 Creditors: Amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	-	7,749
Hire purchase and finance lease agreements	55	233
	55	**7,982**

Finance leases for equipment are secured on the assets concerned.

As at 31 December 2014 the amounts owed to group undertakings included the initial investment loans provided by the parent company to Hydrodec (UK) Limited to acquire the assets of OSS together with working capital funding. The company had a formal loan agreement with Hydrodec Group plc, bearing interest at 7%. The amount outstanding at 31 December 2014 under this facility was £7,262,000. As part of the sale of the company on 4 March 2016 Hydrodec Group plc forgave all debt owed to it and its subsidiaries by the company as disclosed in note 21.

16 Commitments under hire purchase and finance lease agreements

Future commitments under hire purchase and finance lease agreements are as follows:

	2015 £'000	2014 £'000
Amounts payable within 1 year	42	197
Amounts payable between 2 to 5 years	55	233
	97	**430**

17 Provisions

	Remediation of Contaminated land £'000	Deferred Tax Liability £'000	Total £'000
At 1 January 2015	326	261	587
On acquisition of Eco-Oil	300	171	471
Provisions made during the year	64	-	64
Provisions used during the year	-	(432)	(432)
At 31 December 2015	690	-	690

Site remediation provisions are established for leases to cover remedial work necessary at lease termination under the terms of the respective leases. The provisions will be kept indefinitely until such time as the sites are disposed of.

18 Commitments under operating leases

At 31 December 2015 the company had total future minimum lease payments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings £'000	Other Items £'000	Land and buildings £'000	Other Items £'000
Operating leases which expire:				
Within 1 year	354	883	125	303
Within 2 to 5 years	1,247	1,700	-	544
After more than 5 years	1,268	27	-	194
	2,869	2,610	125	1,041

Significant leasing arrangements were entered in to during the year ended 2015 and the period ended 2014 for the sale and leaseback of some of the vehicles owned by the business. These lease agreements range for periods from 3 to 7 years.

As a result of acquiring the business and assets of Eco-Oil from Eco-Oil International Limited on 2 April 2015 the company acquired significant leases for land and buildings.

19 Contingent liabilities

There are unlimited cross-guarantees between the company and certain other UK based group undertakings in respect of bank borrowings. Indemnities were also in place between UK group undertakings and Barclays in respect of finance lease arrangements, which were extinguished on the sale of the business in March 2016.

There is a guarantee and right of set off between the company and certain other group undertakings in respect of bank borrowings.

The company has no other contingent liabilities at 31 December 2015.

20 Share capital

Authorised share capital:

	2015	2014
	£	£
2 Ordinary shares of £1 each	2	2

Allotted, called up and fully paid:

	2015	2014
	£	£
2 Ordinary shares of £1 each	2	2

21 Capital contribution reserve

	2015	2014
	£'000	£'000
Funds contributed by shareholders	11,475	-
Balance carried forward	11,475	-

On 4 March 2016 Mr Andrew Black acquired the Company from Hydrodec Group plc. As part of the sale agreement Hydrodec Group plc forgave all debt due to it and its subsidiaries by the Company effective from 31 December 2015. The debt forgiven has been treated as a capital contribution as at 31 December 2015.

22 Related Party Transactions

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

23 Acquisitions and disposals

Business and Assets Acquisitions
On 6 September 2013, the company acquired the principal business and assets of OSS Group Limited ('OSS') from the administrators of OSS. On 2 April 2015 the company acquired the business and assets of Eco-Oil from Eco-Oil International Limited.

Both acquisitions were made as part of the company's strategy to develop its existing re-refining technology for deployment in the re-refining of used lubricant oils. The acquisition of Eco-Oil and OSS secured additional feedstock for the UK market and provides a platform to develop other opportunities to consolidate the oil collection and re-refining market in the UK and Europe.

The details of the business combinations are as follows:

	Eco-Oil Fair values 2015 £'000	OSS Fair values 2014 £'000
Recognised amounts of identifiable net assets		
Property plant and equipment	2,469	5,893
Other intangible assets	1,339	2,765
Total non-current assets	3,808	8,658
Trade and other receivables	1,625	2,427
Inventories	254	464
Total current assets	1,879	2,891
Trade and other payables	(1,828)	(4,911)
Borrowings	(495)	(941)
Total current liabilities	(2,323)	(5,852)
Provisions	(300)	(395)
Deferred tax liability	(172)	(392)
Total non-current liabilities	(472)	(787)
Identifiable net assets	2,892	4,910
Bargain purchase on acquisition	(597)	(260)
Consideration paid	2,295	4,650
Consideration settled in cash	2,295	4,650
Acquisition costs charged in expenses	186	155
Net cash paid relating to the acquisition	2,481	4,805

23 Acquisitions and disposals (continued)

The acquisition of OSS was settled in cash amounting to £4,650,000. The gain on bargain purchase arising from the purchase of a business in a distressed state and acquisition-related costs are not included as part of the consideration transferred and were amortised and expensed in the Statement of Comprehensive Income. Other intangible assets recognised on acquisition comprised of customer contracts fair valued at £1,429,000 and brand name fair valued at £1,336,000. These primarily related to expected future profitability. These are expected to have finite useful life and accordingly the related carrying amounts will be amortised on a straight-line basis. The fair value of the trade and other receivables acquired as part of the business combination amounted to £2,427,000.

The acquisition of Eco-Oil was settled in cash amounting to £2,295,000. The gain on bargain purchase arising from the purchase of a business in a distressed state and acquisition-related costs are not included as part of the consideration transferred and were amortised and expensed in the Statement of Comprehensive Income. Other intangible assets recognised on acquisition comprised of customer contracts fair valued at £520,000 and brand name fair valued at £818,000. These primarily related to expected future profitability. These are expected to have finite useful life and accordingly the related carrying amounts will be amortised on a straight-line basis. The fair value of the trade and other receivables acquired as part of the business combination amounted to £1,625,000.

24 Ultimate parent company

As at 31 December 2015 the company was controlled by its immediate parent company, Hydrodec Holdco Ltd, a company incorporated in England and Wales. The ultimate parent undertaking was Hydrodec Group plc.

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).

On 13 April 2016 Greenbottle Limited acquired the company as disclosed in note 25.

25 Post balance sheet events

On 4 March 2016 Mr Andrew Black acquired the Company from Hydrodec Group plc. As a part of the sale Hydrodec Group plc forgave all debts owed to it and its subsidiaries by the Company. The debt forgiven has been treated as a capital contribution in the financial statements as at 31 December 2015. Subsequently on 13 April 2016 Greenbottle Limited acquired the Company.

On 15 August 2016 the directors resolved to rename the company Slicker Recycling Limited. The company is in the process of registering the name change with Companies House.