

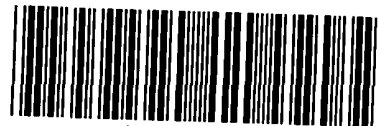
Slicker Recycling Limited

Registered number: 08652156

Directors' report and financial statements

For the year ended 31 December 2017

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Slicker Recycling Limited

Company Information

Directors

Andrew Black
David Dinwoodie
Mark Olpin

Registered number

08652156

Registered office

Lombard House
Worcester Road
Worcestershire
DY13 9BZ

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Slicker Recycling Limited

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Slicker Recycling Limited

Strategic Report For the Year Ended 31 December 2017

Introduction

The Directors present their Strategic Report for the year ended 31 December 2017.

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.

The trading year to 31 December 2017 represents a milestone for the company being the first full financial year in which the company recorded a profit. Operating Profit after tax of £932,000 and an EBITDA of £1,840,000 represents a substantial improvement over previous years and reflects the turnaround achieved at the company.

The results reflect the implementation of a redesigned business model, improved commercial terms and operational efficiencies. The results were further augmented by an improving and stabilising oil price. The company benefitted fully from the restructuring and reorganisation activities previously undertaken. The re-commissioning of the Ipswich site facilitated the export of higher volumes of PFO. The John Rome Division, acquired in 2016, was rebranded as Slicker Interceptors and traded ahead of original expectations.

Future developments

Trading conditions look promising for 2018. The oil price has been strong in the first two quarters and the company has made progress in establishing several new sales channels. The company expects to make significant capital investments across the fleet, plant and systems to further support growth and facilitate cost reduction within the business.

Business line reviews are ongoing and a proactive approach is taken to reducing costs and improving efficiency. The business recognises the importance of its people and continues to invest in existing staff together with new appointments made to further strengthen the management team.

On 30 April 2018 the company acquired Avista Oil Services (UK) Limited from Avista Oil AG. Avista Oil Services (UK) Limited collects used lubrication oil and provides workshop waste management services. The acquisition fits directly within the core business and represents an earnings enhancement opportunity.

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.

Key performance indicators

	Year ended 31 December 2017	Year ended 31 December 2016
Turnover (£'000)	26,593	22,209
EBITDA (£'000)	1,840	505
Profit/(loss) after tax (£'000)	1,595	(219)
Average number of employees	169	153

Slicker Recycling Limited

Strategic Report (continued)
For the Year Ended 31 December 2017

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.

This report was approved by the board on 17th July 2018 and signed on its behalf.



Mark Olpin
Director

Slicker Recycling Limited

**Directors' Report
For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

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.

Results and dividends

The profit for the year, after taxation, amounted to £1,595k (2016 - loss £219 thousand).

No dividends were paid during the year (2016: £Nil).

Directors

The directors who served during the year were:

Andrew Black
David Dinwoodie
Mark Olpin

Slicker Recycling Limited

Directors' Report (continued)
For the Year Ended 31 December 2017

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 30 April 2018 the company acquired Avista Oil Services (UK) Limited from Avista Oil AG. Avista Oil Services (UK) Limited collects used lubrication oil and provides workshop waste management services. The acquisition fits directly within the core business and represents an earnings enhancement opportunity.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17th July 2018 and signed on its behalf.



Mark Olpin
Director

Slicker Recycling Limited

Independent Auditors' Report to the Members of Slicker Recycling Limited

Opinion

We have audited the financial statements of Slicker Recycling Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Slicker Recycling Limited

Independent Auditors' Report to the Members of Slicker Recycling Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Slicker Recycling Limited

Independent Auditors' Report to the Members of Slicker Recycling Limited

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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.

Louis Burns

Louis Burns (Senior Statutory Auditor)

for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: *23 July 2018*

Slicker Recycling Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	Note	2017 £000	2016 £000
Turnover	4	26,593	22,209
Cost of sales		(21,783)	(17,922)
Gross profit		<u>4,810</u>	<u>4,287</u>
Administrative expenses		(3,871)	(4,528)
Loss on sale of tangible assets		-	(107)
Operating profit/(loss)	5	<u>939</u>	<u>(348)</u>
Interest payable and similar charges	8	(7)	(67)
Profit/(loss) before tax		<u>932</u>	<u>(415)</u>
Tax on profit/(loss)	9	663	196
Profit/(loss) for the financial year		<u>1,595</u>	<u>(219)</u>
Other comprehensive income/(loss) for the year			
Other comprehensive income		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) for the year		<u>1,595</u>	<u>(219)</u>

The notes on pages 12 to 29 form part of these financial statements.

Slicker Recycling Limited
Registered number: 08652156

Statement of Financial Position
As at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	10	71	96
Tangible assets	11	4,656	4,679
		<u>4,727</u>	<u>4,775</u>
Current assets			
Stocks	12	430	386
Debtors: amounts falling due within one year	13	4,896	4,743
Cash at bank and in hand	14	2,000	283
		<u>7,326</u>	<u>5,412</u>
Creditors: amounts falling due within one year	15	(4,918)	(4,617)
Net current assets		<u>2,408</u>	<u>795</u>
Total assets less current liabilities		<u>7,135</u>	<u>5,570</u>
Creditors: amounts falling due after more than one year	16	(4,165)	(4,165)
Provisions for liabilities			
Other provisions	19	(400)	(430)
		<u>(400)</u>	<u>(430)</u>
Net assets		<u><u>2,570</u></u>	<u><u>975</u></u>
Capital and reserves			
Capital contribution reserve	21	11,899	11,899
Profit and loss account	21	(9,329)	(10,924)
		<u>2,570</u>	<u>975</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

17th July 2018

Mark Olpin
Director

Slicker Recycling Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	11,899	(10,924)	975
Comprehensive income for the year			
Profit for the year	-	1,595	1,595
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,595	1,595
At 31 December 2017	11,899	(9,329)	2,570

Slicker Recycling Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2016**

	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2016	11,475	(10,705)	770
Comprehensive loss for the year			
Loss for the year	-	(219)	(219)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(219)	(219)
Funds contributed by shareholder	424	-	424
Total transactions with owners	424	-	424
At 31 December 2016	11,899	(10,924)	975

The notes on pages 12 to 29 form part of these financial statements.

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. General information

Slicker Recycling Limited is a private company incorporated in England and Wales.

The principal activities of the company are detailed in the Directors Report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Greenbottle Limited as at 31 December 2017 and these financial statements may be obtained from Lombard House, Worcester Road, Worcestershire, DY13 9BZ.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

- 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 5 to 15 years
- Freehold land and assets in the course of construction are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Property, plant and equipment

Property, plant and equipment are depreciated over their useful life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, maintenance programmes, market information and management considerations. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account. Detail on property, plant and equipment can be found in note 11.

Environmental provision

Provision made to cover anticipated costs in relation to the restoration of a number of sites following sale or completion of activities.

4. Turnover

The whole of the turnover is 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.

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

5. Operating profit/(loss)

The operating loss is stated after charging/(crediting):

	2017 £000	2016 £000
Depreciation of tangible fixed assets	860	803
Amortisation of intangible assets	41	50
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	17	16
Fees payable to the Company's auditors and its associates for other services to the group:		
- Taxation compliance services	3	4
Exchange differences	18	(1)
Other operating lease rentals	581	550
Defined contribution pension cost	111	84
	<u>111</u>	<u>84</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	5,827	4,471
Social security costs	511	432
Cost of defined contribution scheme	123	84
	<u>6,461</u>	<u>4,987</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Direct labour	120	128
Administration	47	19
	<u>167</u>	<u>147</u>

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

7. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	135	123
Company contributions to defined contribution pension schemes	12	14
	<u>147</u>	<u>137</u>

During the year retirement benefits were accruing to no directors (2016 - NIL) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	7	66
Finance leases and hire purchase contracts	-	1
	<u>7</u>	<u>67</u>

9. Taxation

	2017 £000	2016 £000
Corporation tax		
Adjustments in respect of previous periods	(10)	-
	<u>(10)</u>	<u>-</u>
Total current tax	<u>(10)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(653)	417
Changes to tax rates	-	36
Adjustments in respect of prior periods	-	(649)
Total deferred tax	<u>(653)</u>	<u>(196)</u>
Taxation on loss on ordinary activities	<u>(663)</u>	<u>(196)</u>

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

9. Taxation (continued)**Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit/(loss) on ordinary activities before tax	932	(415)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	179	(83)
Effects of:		
Deferred tax not recognised	-	335
Utilisation of tax losses	(124)	-
Adjustments to deferred tax charge in respect of prior periods	-	(649)
Expenses not deductible for tax purposes	20	2
Fixed asset differences	9	75
Adjustment to deferred tax rate	(24)	124
Additional deduction for R&D	(8)	-
Adjustment to tax charge in respect of prior periods	(10)	-
Recognition of deferred tax in relation to carried forward tax losses	(705)	-
Total tax credit for the year	(663)	(196)

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

10. Intangible assets

	Patents £000	Trademarks £000	Computer software £000	Total £000
Cost				
At 1 January 2017	1,949	2,154	282	4,385
Additions	-	-	16	16
At 31 December 2017	1,949	2,154	298	4,401
Amortisation				
At 1 January 2017	1,949	2,154	186	4,289
Charge for the year	-	-	41	41
At 31 December 2017	1,949	2,154	227	4,330
Net book value				
At 31 December 2017	-	-	71	71
At 31 December 2016	-	-	96	96

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

11. Tangible fixed assets

	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2017	1,016	6,071	7,087
Additions	20	849	869
Disposals	(30)	-	(30)
Transfers between classes	136	(136)	-
At 31 December 2017	<u>1,142</u>	<u>6,784</u>	<u>7,926</u>
Depreciation			
At 1 January 2017	43	2,365	2,408
Charge for the year on owned assets	14	846	860
At 31 December 2017	<u>57</u>	<u>3,211</u>	<u>3,268</u>
Net book value			
At 31 December 2017	<u>1,085</u>	<u>3,573</u>	<u>4,658</u>
At 31 December 2016	<u>973</u>	<u>3,706</u>	<u>4,679</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £000	2016 £000
Long leasehold	<u>1,085</u>	<u>973</u>
	<u>1,085</u>	<u>973</u>

12. Stocks

	2017 £000	2016 £000
Raw materials and consumables	244	280
Finished goods and goods for resale	186	106
	<u>430</u>	<u>386</u>

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

13. Debtors

	2017 £000	2016 £000
Trade debtors	3,119	3,604
Amounts owed by group undertakings	444	155
Other debtors	-	226
Prepayments and accrued income	474	562
Tax recoverable	10	-
Deferred taxation	849	196
	<u>4,896</u>	<u>4,743</u>

14. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	2,000	283
	<u>2,000</u>	<u>283</u>

15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Bank loans	10	66
Trade creditors	1,087	1,591
Amounts owed to group undertakings	100	-
Other taxation and social security	1,027	816
Obligations under finance lease and hire purchase contracts	-	35
Accruals and deferred income	2,694	2,109
	<u>4,918</u>	<u>4,617</u>

16. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to parent company	4,165	4,165
	<u>4,165</u>	<u>4,165</u>

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

17. Financial instruments

	2017 £000	2016 £000
Financial assets		
Financial assets measured at fair value through profit or loss	2,000	283
Financial assets that are debt instruments measured at amortised cost	3,565	3,984
	<u>5,565</u>	<u>4,267</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(7,958)	(7,931)
	<u>(7,958)</u>	<u>(7,931)</u>

18. Deferred taxation

	2017 £000
At beginning of year	196
Credited to profit or loss	705
Utilised in year	(52)
At end of year	<u>849</u>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	139	192
Tax losses carried forward	705	-
Short term timing differences	5	4
	<u>849</u>	<u>196</u>

Recognition of the deferred tax asset has been restricted to an amount considered recoverable by the directors due to the inherent uncertainty of forecasting future profitability. An amount of £1,050k (2016: £1,897k) has therefore not been recognised.

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**Notes to the Financial Statements
For the Year Ended 31 December 2017**

19. Provisions

	Remediation of Contaminated land £000
At 1 January 2017	429
Charged to profit or loss	(29)
At 31 December 2017	400

Provision made to cover anticipated costs in relation to the restoration of a number of sites following sale or completion of activities.

20. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

21. Reserves**Capital Contribution reserve**

On 4 March 2016 Mr Andrew Black acquired the Company from Hydrodec Group Plc. As a 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 2017.

Profit and loss account

The profit and loss reserves comprise of the cumulative profits of the company.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme 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 £111,000 (2016 - £84,000). Contributions totalling £29,063 (2016 - £16,000) were payable to the fund at the balance sheet date.

Slicker Recycling Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

23. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Land and buildings		
Within 1 year	374	264
Within 2 to 5 years	1,124	775
After more than 5 years	2,289	1,233
	<u>3,787</u>	<u>2,272</u>
	2017 £000	2016 £000
Other		
Within 1 year	414	552
Within 2 to 5 years	781	1,131
After more than 5 years	-	57
	<u>1,195</u>	<u>1,740</u>

24. Post balance sheet events

On 30 April 2018 the company acquired Avista Oil Services (UK) Limited from Avista Oil AG. Avista Oil Services (UK) Limited collects used lubrication oil and provides workshop waste management services. The acquisition fits directly within the core business and represents an earnings enhancement opportunity.

25. Controlling party

As at 31 December 2017, the company's immediate parent company was Greenbottle Limited, a company incorporated in England and Wales.

The ultimate controlling party is Andrew Black who owns 100% of the share capital of Greenbottle Limited.