Company Registration No. 08652156 (England and Wales)

SLICKER RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

SLICKER RECYCLING LIMITED

COMPANY INFORMATION

Directors	Mr Andrew Black Mr David Dinwoodie Mr Mark Olpin
Company number	08652156
Registered office	Lombard House Worcester Road Stourport-On-Severn DY13 9BZ
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

SLICKER RECYCLING LIMITED

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SLICKER RECYCLING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal activities and review of the business
The principal activities of the Company are the collection, sale and re-refining of waste lubricant oil, together with related waste management solutions.

In line with the Company's growth strategy objective, on 1 July 2020, the company acquired Regroup (UK) Limited, which has been successfully integrated into the core business. This acquisition has enabled synergies to be realised and enabled the Company to enhance market share, increase UK storage capacity and geographical reach plus provide customers access to new and innovative processing capabilities.

In line with the Company's drive to think and act differently, in 2018, Greenbottle Limited (the parent company of Slicker Recycling Limited), in a joint venture, commissioned the construction of a 100,000 tonne per year base oil Re-Refinery in Denmark, Avista Green ApS. Following the successful launch, in August 2020, the Company commenced the supply of waste lubricant oil, under a long term supply agreement to Avista Green ApS and a decision was made to cease the production of processed fuel oil (PFO) at the Stourport and Ipswich sites and shift to a waste lubricant oil export business model. In doing so, the Company has experienced a shift in the value chain, selling a lower grade product at a lower price point but seeing profit returned to the Group from the Re-Refinery.

Avista Green ApS is one of only a few re-refineries in Europe and is intended to support the waste hierarchy and the philosophy of a circular economy, with lubricants being returned to the site in a continuous cycle for reprocessing. By re-refining waste oil in this innovative way, it also redirects it from being used as a fuel in the energy and marine markets, further reducing the potential carbon footprint and part of the new Circular Economy legislative requirements. Re-refined base oil emits as much as 30% less CO_2 than new base oil produced from crude and greenhouse gas savings are equivalent to 825 kg of CO_2 compared to conventional primary refining.

Development and future outlook
The board continues to follow its strategy of growth by strengthening its infrastructure and people to lead the way in achieving environmentally sustainable waste management practices. Doing so by re-refining waste lubricant oil and the recycling of other wastes collected to avoid landfill, being committed to developing innovative ways to improve services whilst achieving positive impacts in the attitudes, satisfaction and happiness of colleagues and customers.

The Company is looking to invest in an Enterprise Resource Planning (ERP) software, in order to streamline and automate processes further, creating a leaner, more accurate and efficient operation.

Customer feedback is invaluable as the core of the business is driven by customer relationships, the Company strives to improve service offerings to existing and new customers, exploring new areas of growth to meet customer's needs.

Notwithstanding the changes in the business model during the year, the acquisition of Regroup has led to operational synergies and improved efficiencies throughout the business. As a result, the Company is now achieving pre-COVID 19 levels and exceeding the 2021 budget.

Principal risks and uncertainties

The Directors of the Company and the execution of the company strategy are subject to the following risks:

COVID-19 Pandemic:

As with most businesses in the UK and around the world, the COVID-19 virus and subsequent government enforced lock downs presented a challenge during 2020. The company's services are offered across a wide range of markets, and the impact was noted from Q2 onwards, where certain customers sites closed down.

The company took immediate measures to reduce costs and preserve liquidity during this time, including making use of the government backed support via the furlough scheme, Corona Virus Business Interruption loan and HMRC deferral arrangements.

The business has taken due care to ensure the safety and wellbeing of colleagues during the pandemic, adapting our working practices where required; including fill risk assessments at all sites, encouraging working from home where possible and ensuring all colleagues in the work place have the adequate protective equipment and follow procedures to reduce contact with others.

Whilst COVID-19 has had, and continues to have, a significant impact on the wider economy, the Directors continue to closely monitor the impact of COVID-19 on operations and the UK and overseas markets, and do not consider the pandemic to be a fundamental threat to the business.

Credit and liquidity risk:

The company's sources of funding currently comprise of operating cash flow, bank borrowings and intercompany loans with the 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 waste lubricant oil is exposed to movement in the Platts and base 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, all export sales are denominated in GBP and the Company uses natural hedging to minimize exposure.

Competitor risk:

The Company has 3 fundamental pillars; People, Planet and Profit, remaining competitive is key to this. The Company strives to combat the risk impact of new entrants to the industry along with the risk that current competitors become more diverse and innovative.

A new initiative to manage customer expectations via improved notifications and communications, driven by striving to become leaner and more dynamic has been successfully launched in the year

Going concern

The directors have considered the potential wider economic effect of the ongoing COVID-19 impacts and 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.

Financial key performance indicators
Key performance indicators include:

	2020	2019
Turnover (£'000)	24,256	29,283
EBITDA (£'000)	335	2,844
EBITDA excluding exceptionals (£'000)	510	-
(Loss)/Profit after tax (£'000)	(634)	1,246
Average number of employees	223	203

Exceptional costs of £175,199 (comprising of redundancies) have been segregated from the underlying trading performance as these are one off items associated with the companies change in activities and overall strategy.

On behalf of the board

Mr Mark Olpin
Director

28 September 2021

SLICKER RECYCLING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities
The principal activities of the Company and the Group are the collection, sale and re-refining of waste lubricant oil, together with related waste management solutions.

Results and dividends
The results for the year are set out on page 9.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Andrew Black
Mr David Dinwoodie
Mr Mark Olpin

Auditor
Ormerod Rutter were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr Mark Olpin
Director

28 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SLICKER RECYCLING LIMITED

Opinion

We have audited the financial statements of Slicker Recycling Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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 the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent 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 either 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and the group, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, and the extent to which non-compliance might have a material effect on the financial statements.

Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our 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.

Joanne Baldwin ACA FCCA (Senior Statutory Auditor)
For and on behalf of Ormerod Rutter Limited

30 September 2021

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

SLICKER RECYCLING LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Turnover	3	24,256	29,283
Cost of sales		(20,455)	(23,095)
Gross profit		3,801	6,188
Administrative expenses		(6,392)	(4,487)
Other operating income		1,118	-
Operating (loss)/profit	4	(1,473)	1,701
Interest payable and similar expenses	8	(285)	(293)
(Loss)/profit before taxation		(1,758)	1,408
Tax on (loss)/profit	9	1,124	(162)
(Loss)/profit for the financial year	25	(634)	1,246

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

SLICKER RECYCLING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
(Loss)/profit for the year	(634)	1,246
Other comprehensive income	-	-
Total comprehensive income for the year	(634)	1,246

Total comprehensive income for the year is all attributable to the owners of the parent company.

SLICKER RECYCLING LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Goodwill	**10**		9,274		586
Negative goodwill	**10**		(2,831)		(2,968)
Net goodwill			6,443		(2,382)
Other intangible assets	**10**		21		43
Total intangible assets			6,464		(2,339)
Tangible assets	**11**		15,903		12,498
			22,367		10,159
Current assets					
Stocks	**14**	841		907	
Debtors	**15**	9,100		8,230	
Cash at bank and in hand		764		585	
		10,705		9,722	
Creditors: amounts falling due within one year	**16**	(9,585)		(6,873)	
Net current assets			1,120		2,849
Total assets less current liabilities			23,487		13,008
Creditors: amounts falling due after more than one year	**17**		(17,168)		(6,627)
Provisions for liabilities					
Provisions	**20**	400		400	
Deferred tax liability	**21**	562		-	
			(962)		(400)
Net assets			5,357		5,981

SLICKER RECYCLING LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	**£000**	**£000**	**£000**	**£000**
Capital and reserves					
Share premium account	**25**		10		-
Capital redemption reserve	**25**		11,899		11,899
Profit and loss reserves	**25**		(6,552)		(5,918)
Total equity			5,357		5,981

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021 and are signed on its behalf by:

Mr Mark Olpin
Director

SLICKER RECYCLING LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Goodwill	**10**		620		697
Other intangible assets	**10**		21		43
Total intangible assets			641		740
Tangible assets	**11**		9,907		10,410
Investments	**12**		16,296		331
			26,844		11,481
Current assets					
Stocks	**14**	316		907	
Debtors	**15**	7,449		8,226	
Cash at bank and in hand		71		563	
		7,836		9,696	
Creditors: amounts falling due within one year	**16**	(8,105)		(6,766)	
Net current (liabilities)/assets			(269)		2,930
Total assets less current liabilities			26,575		14,411
Creditors: amounts falling due after more than one year	**17**		(20,521)		(7,572)
Provisions for liabilities					
Provisions	**20**	400		400	
			(400)		(400)
Net assets			5,654		6,439
Capital and reserves					
Share premium account	**25**		10		-
Capital redemption reserve	**25**		11,899		11,899
Profit and loss reserves	**25**		(6,255)		(5,460)
Total equity			5,654		6,439

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £794,925 (2019 - £1,224,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021 and are signed on its behalf by:

Mr Mark Olpin
Director

Company Registration No. 08652156

SLICKER RECYCLING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2019		-	11,899	(7,164)	4,735
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	1,246	1,246
Balance at 31 December 2019		-	11,899	(5,918)	5,981
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(634)	(634)
Issue of share capital	**24**	10	-	-	10
Balance at 31 December 2020		10	11,899	(6,552)	5,357

SLICKER RECYCLING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2019		-	11,899	(6,684)	5,215
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	1,224	1,224
Balance at 31 December 2019		-	11,899	(5,460)	6,439
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(795)	(795)
Issue of share capital	**24**	10	-	-	10
Balance at 31 December 2020		10	11,899	(6,255)	5,654

SLICKER RECYCLING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**28**		1,777		(2,083)
Interest paid			(285)		(293)
Income taxes refunded/(paid)			20		(16)
Net cash inflow/(outflow) from operating activities			1,512		(2,392)
Investing activities					
Purchase of business		(1,786)		(789)	
Purchase of intangible assets		-		(12)	
Proceeds on disposal of intangibles		-		21	
Purchase of tangible fixed assets		(677)		(895)	
Proceeds on disposal of tangible fixed assets		54		11	
Net cash used in investing activities			(2,409)		(1,664)
Financing activities					
Proceeds of new bank loans		3,500		4,001	
Repayment of bank loans		(2,201)		-	
Payment of finance leases obligations		(223)		(325)	
Net cash generated from financing activities			1,076		3,676
Net increase/(decrease) in cash and cash equivalents			179		(380)
Cash and cash equivalents at beginning of year			585		965
Cash and cash equivalents at end of year			764		585

1 Accounting policies

Company information

Slicker Recycling Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Lombard House, Worcester Road, Stourport-On-Severn, DY13 9BZ.

The group consists of Slicker Recycling Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Slicker Recycling Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies **(Continued)**

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 to 5 years
Patents	3 years
Trademarks	3 years

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	(with 50 years or more to run) are depreciated at 2% pa
Plant and equipment	3 to 15 years on a straight line basis
Fixtures and fittings	2 to 10 years on a straight line basis
Motor vehicles	3 to 15 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1 Accounting policies **(Continued)**

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

1 Accounting policies **(Continued)**

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

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

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

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1 Accounting policies **(Continued)**

1.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.22 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

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. Details on property, plant and equipment can be found in note 11.

Environmental provision

Provision is made to cover anticipated costs in relation to the restoration of a number of sites following sale or completion of activities. Detail on environmental provision can be found in note 20.

3 Turnover and other revenue

The whole of turnover is attributable to the principal activities of the Group, 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.

	2020	2019
	£000	£000
Other significant revenue		
Grants received	1,093	-

	2020	2019
	£000	£000
Turnover analysed by geographical market		
United Kingdom	23,382	29,283
Europe	874	-
	24,256	29,283

4 Operating (loss)/profit

	2020	2019
	£000	£000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange gains	(49)	(2)
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	10	(2)
Research and development costs	65	-
Government grants	(1,093)	-
Depreciation of owned tangible fixed assets	1,104	923
Depreciation of tangible fixed assets held under finance leases	268	254
Impairment of owned tangible fixed assets	-	88
Profit on disposal of tangible fixed assets	(14)	-
Amortisation of intangible assets	436	(34)
Operating lease charges	1,076	808

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£000	£000
For audit services		
Audit of the financial statements of the group and company	28	19

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Direct labour	151	139	128	128
Administration	72	64	51	66
Total	223	203	179	194

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Wages and salaries	7,354	6,839	6,557	6,667
Social security costs	728	667	654	667
Pension costs	197	204	164	204
	8,279	7,710	7,375	7,538

7 Directors' remuneration

	2020	2019
	£000	£000
Remuneration for qualifying services	154	163
Company pension contributions to defined contribution schemes	13	15
	167	178

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to **1** (2019 - 1).

8 Interest payable and similar expenses

	2020	2019
	£000	£000
Interest on bank overdrafts and loans	224	213
Other interest on financial liabilities	-	14
Interest on finance leases and hire purchase contracts	61	66
Total finance costs	285	293

9 Taxation

	2020	2019
	£000	£000
Current tax		
UK corporation tax on profits for the current period	13	(6)
Adjustments in respect of prior periods	(22)	-
Total current tax	(9)	(6)
Deferred tax		
Origination and reversal of timing differences	158	245
Adjustment in respect of prior periods	-	(77)
Tax losses carried forward	(1,273)	-
Total deferred tax	(1,115)	168
Total tax (credit)/charge	(1,124)	162

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£000	£000
(Loss)/profit before taxation	(1,758)	1,408
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(334)	268
Tax effect of expenses that are not deductible in determining taxable profit	125	26
Tax effect of income not taxable in determining taxable profit	(26)	(27)
Tax effect of utilisation of tax losses not previously recognised	(935)	-
Adjustments in respect of prior years	(23)	(77)
Effect of change in corporation tax rate	-	(29)
Group relief	-	1
Research and development tax credit	(21)	-
Depreciation in excess of capital allowances	98	-
Other temporary timing differences	(8)	-
Taxation (credit)/charge	(1,124)	162

10 Intangible fixed assets

Group	Goodwill	Negative goodwill	Software	Patents	Trademarks	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2020	663	(3,196)	319	1,949	2,154	1,889
Additions - business combinations	9,233	-	-	-	-	9,233
Acquisition of subsidiaries	-	-	35	-	-	35
At 31 December 2020	9,896	(3,196)	354	1,949	2,154	11,157
Amortisation and impairment						
At 1 January 2020	77	(228)	276	1,949	2,154	4,228
Amortisation charged for the year	545	(137)	28	-	-	436
Acquisition of subsidiaries	-	-	29	-	-	29
At 31 December 2020	622	(365)	333	1,949	2,154	4,693
Carrying amount						
At 31 December 2020	9,274	(2,831)	21	-	-	6,464
At 31 December 2019	586	(2,968)	43	-	-	(2,339)

Company	Goodwill	Software	Patents	Trademarks	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2020 and 31 December 2020	774	319	1,949	2,154	5,196
Amortisation and impairment					
At 1 January 2020	77	276	1,949	2,154	4,456
Amortisation charged for the year	77	22	-	-	99
At 31 December 2020	154	298	1,949	2,154	4,555
Carrying amount					
At 31 December 2020	620	21	-	-	641
At 31 December 2019	697	43	-	-	740

11 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2020	5,154	13,601	-	-	18,755
Additions	426	211	12	28	677
Disposals	-	(86)	-	(79)	(165)
Acquisition of subsidiaries	383	6,132	118	1,909	8,542
At 31 December 2020	5,963	19,858	130	1,858	27,809
Depreciation and impairment					
At 1 January 2020	214	6,043	-	-	6,257
Depreciation charged in the year	83	1,157	21	111	1,372
Eliminated in respect of disposals	-	(77)	-	(48)	(125)
Acquisition of subsidiaries	273	2,804	76	1,249	4,402
At 31 December 2020	570	9,927	97	1,312	11,906
Carrying amount					
At 31 December 2020	5,393	9,931	33	546	15,903
At 31 December 2019	4,940	7,558	-	-	12,498

Company	Leasehold land and buildings	Plant and equipment	Total
	£000	£000	£000
Cost			
At 1 January 2020	5,446	11,010	16,456
Additions	426	138	564
Disposals	-	(82)	(82)
At 31 December 2020	5,872	11,066	16,938
Depreciation and impairment			
At 1 January 2020	214	5,832	6,046
Depreciation charged in the year	77	985	1,062
Eliminated in respect of disposals	-	(77)	(77)
At 31 December 2020	291	6,740	7,031
Carrying amount			
At 31 December 2020	5,581	4,326	9,907
At 31 December 2019	5,232	5,178	10,410

11 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Plant and equipment	5	7	5	7
Motor vehicles	1,771	1,957	1,704	1,957
	1,776	1,964	1,709	1,964

12 Fixed asset investments

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Investments in subsidiaries	**13**	-	-	16,296	331

Movements in fixed asset investments

Company	**Shares in subsidiaries £000**
Cost or valuation	
At 1 January 2020	331
Additions	15,972
At 31 December 2020	16,303
Impairment	
At 1 January 2020	-
	7
At 31 December 2020	7
Carrying amount	
At 31 December 2020	16,296
At 31 December 2019	331

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	% Held Indirect
J VANT Ltd	Lombard House, Worcester Road, Stourport-On-Severn, England, DY13 9BZ	Ordinary	100.00	-
Avista Oil Services (UK) Ltd	Lombard House, Worcester Road, Stourport-On-Severn, Worcestershire, United Kingdom, DY13 9BZ	Ordinary	100.00	-
Regroup (UK) Limited	Clipper House, Air Street, Hull, East Yorkshire, HU5 1RR	Ordinary	100.00	-
Regroup (Reclaim) Limited	Clipper House, Air Street, Hull, East Yorkshire, HU5 1RR	Ordinary	0	100.00
Regroup (Refuel) Limited	Clipper House, Air Street, Hull, East Yorkshire, HU5 1RR	Ordinary	0	100.00

14 Stocks

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Raw materials and consumables	831	907	306	907
Finished goods and goods for resale	10	-	10	-
	841	907	316	907

15 Debtors

Amounts falling due within one year:	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	3,872	2,618	2,454	2,617
Amounts owed by group undertakings	689	4,393	688	4,392
Other debtors	156	2	129	-
Prepayments and accrued income	2,366	335	2,161	335
	7,083	7,348	5,432	7,344
Deferred tax asset (note 21)	2,017	882	2,017	882
	9,100	8,230	7,449	8,226

16 Creditors: amounts falling due within one year

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans	**18**	1,490	1,197	1,490	1,197
Obligations under finance leases	**19**	492	101	467	101
Trade creditors		2,654	2,279	1,091	2,231
Amounts owed to group undertakings		-	-	929	-
Corporation tax payable		321	2	-	-
Other taxation and social security		982	225	866	224
Deferred income	**22**	13	-	13	-
Other creditors		225	164	237	154
Accruals and deferred income		3,408	2,905	3,012	2,859
		9,585	6,873	8,105	6,766

17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans and overdrafts	**18**	2,549	5,043	2,549	5,043
Obligations under finance leases	**19**	999	1,561	986	1,561
Other borrowings	**18**	3,500	-	3,500	-
Amounts owed to group undertakings		6,337	23	9,986	968
Deferred income	**22**	283	-	-	-
Other creditors		3,500	-	3,500	-
		17,168	6,627	20,521	7,572

18 Loans and overdrafts

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans	4,039	6,240	4,039	6,240
Other loans	3,500	-	3,500	-
	7,539	6,240	7,539	6,240
Payable within one year	1,490	1,197	1,490	1,197
Payable after one year	6,049	5,043	6,049	5,043

The long-term loans are secured by fixed and floating charges over the assets of the company and the group.

19 Finance lease obligations

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Future minimum lease payments due under finance leases:				
Within one year	492	101	467	101
In two to five years	999	1,561	986	1,561
	1,491	1,662	1,453	1,662

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Remediation of contaminated land	400	400	400	400

Movements on provisions:

	Remediation of contaminated land
Group	**£000**
At 1 January 2020 and 31 December 2020	400

	Remediation of contaminated land
Company	**£000**
At 1 January 2020 and 31 December 2020	400

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2020 £000	Liabilities 2019 £000	Assets 2020 £000	Assets 2019 £000
Accelerated capital allowances	562	-	189	292
Tax losses	-	-	1,823	582
Short term timing differences	-	-	5	8
	562	-	2,017	882

Company	Liabilities 2020 £000	Liabilities 2019 £000	Assets 2020 £000	Assets 2019 £000
Accelerated capital allowances	-	-	189	292
Tax losses	-	-	1,823	582
Short term timing differences	-	-	5	8
	-	-	2,017	882

Movements in the year:	Group 2020 £000	Company 2020 £000
Asset at 1 January 2020	(882)	(882)
Credit to profit or loss	(1,115)	(1,135)
Acquisition of subsidiaries	542	-
Asset at 31 December 2020	(1,455)	(2,017)

22 Deferred income

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Arising from government grants	283	-	-	-
Other deferred income	13	-	13	-
	296	-	13	-

Deferred income is included in the financial statements as follows:

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Current liabilities	13	-	13	-
Non-current liabilities	283	-	-	-
	296	-	13	-

23 Retirement benefit schemes

Defined contribution schemes	2020 £000	2019 £000
Charge to profit or loss in respect of defined contribution schemes	197	204

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	2020 Number	2019 Number	2020 £000	2019 £000
Ordinary shares of 0.1p each	2,220	2,000	-	-

On 1 November 2017 the issued share capital was split into 2,000 shares of £0.001 each. An entitlement to grant 220 restricted shares of £0.001 was awarded to director Mark Olpin on the same date.

On 30 June 2020, all 220 options for £0.001 ordinary shares held by Mark Olpin vested following the purchase of Regroup (UK) Limited. These new shares were then exchanged for 25 shares in Greenbottle Limited.

25 Reserves

Profit and loss reserves
The profit and loss reserves comprise of the cumulative profits of the Company or Group.

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.

26 Acquisition of a business

On 30 June 2020 the group acquired 100% percent of the issued capital of Regroup (UK) Limited and subsidiaries.

	Book Value	Adjustments	Fair Value
Net assets acquired	**£000**	**£000**	**£000**
Property, plant and equipment	4,140	-	4,140
Inventories	178	-	178
Trade and other receivables	3,646	-	3,646
Cash and cash equivalents	764	-	764
Obligations under finance leases	(52)	-	(52)
Trade and other payables	(1,087)	-	(1,087)
Tax liabilities	(308)	-	(308)
Deferred tax	(542)	-	(542)
Total identifiable net assets	6,739	-	6,739
Goodwill			9,233
Total consideration			15,972

The consideration was satisfied by:	**£000**
Cash	2,550
Deferred consideration	3,500
Paid via fellow group undertakings	6,922
Issue of loan notes	3,000
	15,972

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	4,339
Profit after tax	514

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Within one year	389	517	389	517
Between two and five years	572	1,067	572	1,067
In over five years	731	835	731	835
	1,692	2,419	1,692	2,419

28 Cash generated from/(absorbed by) group operations

	2020 £000	2019 £000
(Loss)/profit for the year after tax	(634)	1,246
Adjustments for:		
Taxation (credited)/charged	(1,124)	162
Finance costs	285	293
Gain on disposal of tangible fixed assets	(14)	-
Amortisation and impairment of intangible assets	436	(34)
Depreciation and impairment of tangible fixed assets	1,372	1,177
Movements in working capital:		
Decrease/(increase) in stocks	244	(321)
Decrease/(increase) in debtors	320	(2,249)
Increase/(decrease) in creditors	892	(2,357)
Cash generated from/(absorbed by) operations	1,777	(2,083)

29 Analysis of changes in net debt - group

	1 January 2020 £000	Cash flows £000	Acquisitions and disposals £000	31 December 2020 £000
Cash at bank and in hand	585	1,965	(1,786)	764
Borrowings excluding overdrafts	(6,240)	(1,299)	-	(7,539)
Obligations under finance leases	(1,662)	223	(52)	(1,491)
	(7,317)	889	(1,838)	(8,266)