

Hydrodec Re-Refining (UK) Limited

Registered number: 09237640

Directors' report and financial statements

For the year ended 31 December 2016

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Hydrodec Re-Refining (UK) Limited

Company Information

Directors	Andrew Black (appointed 4 March 2016) David Dinwoodie (appointed 4 March 2016) Mark Olpin (appointed 4 March 2016) Chris Ellis (resigned 4 March 2016)
Registered number	09237640
Registered office	Enterprise House Barracks Road Sandy Lane Industrial Estate Stourport-on-Severn Worcestershire DY13 9RW
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

Hydrodec Re-Refining (UK) Limited

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Hydrodec Re-Refining (UK) Limited

Directors' Report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing 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 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 to build and operate a high grade base oil-refinery in the UK.

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

Directors

The directors who served during the year were:

Andrew Black (appointed 4 March 2016)
David Dinwoodie (appointed 4 March 2016)
Mark Olpin (appointed 4 March 2016)
Chris Ellis (resigned 4 March 2016)

Future developments

The company is committed to building a re-refinery in the UK. Progress has been made on both planning activities and commercial negotiations during the course of 2017. We expect to make further announcements in this regard in 2017.

Hydrodec Re-Refining (UK) Limited

**Directors' Report (continued)
For the Year Ended 31 December 2016**

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.

Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

This report was approved by the board on 12th July 2017 and signed on its behalf.



**Mark Olpin
Director**

Independent Auditor's Report to the Shareholders of Hydrodec Re-Refining (UK) Limited

We have audited the financial statements of Hydrodec Re-Refining (UK) Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Hydrodec Re-Refining (UK) Limited

Independent Auditor's Report to the Shareholders of Hydrodec Re-Refining (UK) Limited

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from preparing a Strategic Report.

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: 13 July 2017

Hydrodec Re-Refining (UK) Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2016**

		Year to 31 December 2016 £000	15 months to 31 December 2015 £000
	Note		
Administrative expenses		(113)	(304)
Operating loss		<u>(113)</u>	<u>(304)</u>
Tax on loss on ordinary activities	4	-	-
Loss for the year		<u>(113)</u>	<u>(304)</u>
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(113)</u>	<u>(304)</u>

Statement of Financial Position
As at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	5	1,064	996
		<u>1,064</u>	<u>996</u>
Current assets			
Debtors: amounts falling due within one year	6	8	17
		<u>8</u>	<u>17</u>
Creditors: amounts falling due within one year	7	(169)	(71)
		<u>(161)</u>	<u>(54)</u>
Net current liabilities		<u>(161)</u>	<u>(54)</u>
Total assets less current liabilities		<u>903</u>	<u>942</u>
Creditors: amounts falling due after more than one year	8	-	(1,246)
		<u>903</u>	<u>(304)</u>
Net assets/(liabilities)		<u>903</u>	<u>(304)</u>
Capital and reserves			
Capital contribution reserve		1,320	-
Profit and loss account		(417)	(304)
		<u>903</u>	<u>(304)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12th July 2017

Mark Olpin
Director



Hydrodec Re-Refining (UK) Limited

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

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	-	-	(304)	(304)
Comprehensive income for the year				
Loss for the year	-	-	(113)	(113)
Total comprehensive income for the year	-	-	(113)	(113)
Capital contribution	-	1,320	-	1,320
At 31 December 2016	-	1,320	(417)	903

**Statement of Changes in Equity
For the Year Ended 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Comprehensive income for the period			
Loss for the period	-	(304)	(304)
Total comprehensive income for the period	-	(304)	(304)
At 31 December 2015	-	(304)	(304)

The notes on pages 8 to 14 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

1. General information

Hydrodec Re-Refining (UK) 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.

This is the first year the company has prepared its financial statements in accordance with FRS 102, accordingly the financial information as at 1 January 2015 (being the date of transition) and for the year ended 31 December 2015 has been restated for material adjustments on adoption of FRS 102 in the current year. There has been no material impact of first-time adoption of FRS102.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

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. The Directors consider that there are no critical accounting estimates.

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 2016 and these financial statements may be obtained from Enterprise House Barracks Road, Sandy Lane Industrial Estate, Stourport-On-Severn, DY13 9RW.

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

2. Accounting policies (continued)

2.3 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:

- 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.

2.4 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.

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments 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 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

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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.

2.7 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.

3. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3	3
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1	1
	1	1

Hydrodec Re-Refining (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

4. Taxation

	2016 £000	2015 £000
Current tax on loss for the year	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(113)	(304)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(23)	(62)
Effects of:		
Current year losses for which no deferred tax was recognised	16	62
Adjustment to deferred tax rate	7	-
Total tax charge for the year/period	-	-

Recognition of the deferred tax asset has been restricted to an amount considered recoverable by the directors based on the future profitability of the group. An amount of £84k (2015: £55k) has therefore not been recognised.

Hydrodec Re-Refining (UK) Limited

Notes to the Financial Statements
For the Year Ended 31 December 2016

5. Tangible fixed assets

	Assets under construction £000
Cost or valuation	
At 1 January 2016	996
Additions	68
At 31 December 2016	<u>1,064</u>
Net book value	
At 31 December 2016	<u>1,064</u>
At 31 December 2015	<u>996</u>

Hydrodec Re-Refining (UK) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

6. Debtors

	2016 £000	2015 £000
Other debtors	8	17
	<u>8</u>	<u>17</u>

7. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	10	71
Amounts owed to group undertakings	155	-
Accruals and deferred income	4	-
	<u>169</u>	<u>71</u>

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

	2016 £000	2015 £000
Funds owed to shareholders	-	1,246
	<u>-</u>	<u>1,246</u>

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

10. 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 2016.

Profit and loss account

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

11. Controlling party

As at 31 December 2016, 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.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.