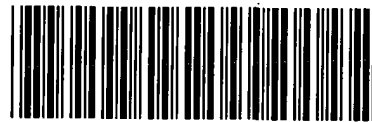


REGISTERED NUMBER: 08367667 (England and Wales)

**Report of the Directors and
Financial Statements
For The Period 1 January 2019 to 31 March 2020
for
City Oils Ltd**

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For The Period 1 January 2019 to 31 March 2020**

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Company Information
For The Period 1 January 2019 to 31 March 2020

DIRECTORS:

D Cross
R Boot
M D Nairn

REGISTERED OFFICE:

10-12 Mulberry Green
Old Harlow
Essex
CM17 0ET

REGISTERED NUMBER:

08367667 (England and Wales)

AUDITORS:

Giess Wallis Crisp LLP
Registered Auditor
10-12 Mulberry Green
Old Harlow
Essex
CM17 0ET

**Report of the Directors
For The Period 1 January 2019 to 31 March 2020**

The directors present their report with the financial statements of the company for the period 1 January 2019 to 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of collection of non-hazardous waste.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

D Cross
R Boot
M D Nairn

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 and then apply them consistently;
- make judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Giess Wallis Crisp LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
D Cross - Director

Date: 23/12/2020

Opinion

We have audited the financial statements of City Oils Ltd (the 'company') for the period ended 31 March 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
City Oils Ltd**

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 a Report of the Auditors 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.

Andrew Taffs (Senior Statutory Auditor)
for and on behalf of Giess Wallis Crisp LLP
Registered Auditor
10-12 Mulberry Green
Old Harlow
Essex
CM17 0ET

Date: 23rd DECEMBER 2020

Statement of Profit or Loss
For The Period 1 January 2019 to 31 March 2020

		Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
	Notes		
CONTINUING OPERATIONS			
Revenue		677,193	516,695
Cost of sales		(633,213)	(529,411)
GROSS PROFIT/(LOSS)		43,980	(12,716)
Other operating income		522	2,034
Administrative expenses		(355,444)	(627,339)
OPERATING LOSS		(310,942)	(638,021)
Finance costs	4	-	(336,574)
Finance income	4	146	137
LOSS BEFORE INCOME TAX	5	(310,796)	(974,458)
Income tax	6	215,182	177,779
LOSS FOR THE PERIOD		(95,614)	(796,679)

The notes form part of these financial statements

**Statement of Profit or Loss and Other Comprehensive Income
For The Period 1 January 2019 to 31 March 2020**

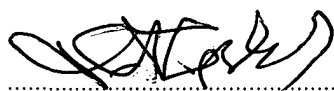
	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
LOSS FOR THE PERIOD	(95,614)	(796,679)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(95,614)</u>	<u>(796,679)</u>

The notes form part of these financial statements

Statement of Financial Position
31 March 2020

	Notes	2020 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>46,653</u>	<u>38,090</u>
CURRENT ASSETS			
Inventories	8	19,583	19,077
Trade and other receivables	9	71,162	128,156
Tax receivable		88,201	177,916
Cash and cash equivalents	10	<u>6,281</u>	<u>4,368</u>
		<u>185,227</u>	<u>329,517</u>
TOTAL ASSETS		<u><u>231,880</u></u>	<u><u>367,607</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	300	300
Retained earnings	12	<u>(4,499,427)</u>	<u>(4,403,813)</u>
TOTAL EQUITY		<u><u>(4,499,127)</u></u>	<u><u>(4,403,513)</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	2,946,988	2,987,101
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>1,784,019</u>	<u>1,784,019</u>
		<u>4,731,007</u>	<u>4,771,120</u>
TOTAL LIABILITIES		<u><u>4,731,007</u></u>	<u><u>4,771,120</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>231,880</u></u>	<u><u>367,607</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23/12/2020 and were signed on its behalf by:



D Cross - Director

The notes form part of these financial statements

Statement of Changes in Equity
For The Period 1 January 2019 to 31 March 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	300	(3,607,134)	(3,606,834)
Changes in equity			
Total comprehensive income	-	(796,679)	(796,679)
Balance at 31 December 2018	300	(4,403,813)	(4,403,513)
Changes in equity			
Total comprehensive income	-	(95,614)	(95,614)
Balance at 31 March 2020	300	(4,499,427)	(4,499,127)

The notes form part of these financial statements

Statement of Cash Flows
For The Period 1 January 2019 to 31 March 2020

		Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	(217,077)	191,179
Interest paid		-	(336,574)
Tax paid		304,897	(137)
Net cash from operating activities		87,820	(145,532)
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,104)	(307)
Interest received		146	137
Net cash from investing activities		(15,958)	(170)
Cash flows from financing activities			
Loan repayments in year		-	(2,718,566)
Increase in Intercompany CFS Ltd		(69,949)	2,859,835
Net cash from financing activities		(69,949)	141,269
Increase/(decrease) in cash and cash equivalents		1,913	(4,433)
Cash and cash equivalents at beginning of period	2	4,368	8,801
Cash and cash equivalents at end of period	2	6,281	4,368

The notes form part of these financial statements

Notes to the Statement of Cash Flows
For The Period 1 January 2019 to 31 March 2020

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Loss before income tax	(310,796)	(974,458)
Depreciation charges	7,542	4,537
Finance costs	-	336,574
Finance income	(146)	(137)
	<u>(303,400)</u>	<u>(633,484)</u>
Increase in inventories	(506)	(11,589)
Decrease in trade and other receivables	56,994	801,196
Increase in trade and other payables	29,835	35,056
	<u>29,835</u>	<u>35,056</u>
Cash generated from operations	<u>(217,077)</u>	<u>191,179</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2020

	31/3/20 £	1/1/19 £
Cash and cash equivalents	<u>6,281</u>	<u>4,368</u>

Year ended 31 December 2018

	31/12/18 £	1/1/18 £
Cash and cash equivalents	<u>4,368</u>	<u>8,801</u>

The notes form part of these financial statements

Notes to the Financial Statements
For The Period 1 January 2019 to 31 March 2020

1. STATUTORY INFORMATION

City Oils Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on reducing balance
Computer equipment	- Straight line over 3 years

Financial instruments

The company 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

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade debtors and creditors.

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.

Debtors

Short terms debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by current accounts, 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.

Creditors

Short term creditors are measured at the transaction price.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Notes to the Financial Statements - continued
For The Period 1 January 2019 to 31 March 2020

2. ACCOUNTING POLICIES - continued

Fixed asset impairment

At each reporting period end date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. Any impairment loss identified is recognised immediately in the profit or loss account in the period in which it arises.

3. EMPLOYEES AND DIRECTORS

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Wages and salaries	173,444	216,686
Social security costs	11,176	21,346
Other pension costs	-	1,908
	<u>184,620</u>	<u>239,940</u>

The average number of employees during the period was as follows:

	Period 1/1/19 to 31/3/20	Year Ended 31/12/18
Employees	<u>5</u>	<u>7</u>

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. NET FINANCE INCOME

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Finance income:		
Interest received	-	137
Inland Revenue interest received	146	-
	<u>146</u>	<u>137</u>
Finance costs:		
Bank loan interest	-	336,574
	<u>-</u>	<u>336,574</u>
Net finance income	<u>146</u>	<u>(336,437)</u>

Notes to the Financial Statements - continued
For The Period 1 January 2019 to 31 March 2020

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Cost of inventories recognised as expense	633,213	529,411
Depreciation - owned assets	7,541	4,538
Auditors' remuneration	3,000	13,000
	<u>643,754</u>	<u>546,949</u>

6. INCOME TAX

Analysis of tax income

	Period 1/1/19 to 31/3/20 £	Year Ended 31/12/18 £
Current tax: Tax	(215,182)	(177,779)
Total tax income in statement of profit or loss	<u>(215,182)</u>	<u>(177,779)</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2019	61,968	3,837	65,805
Additions	13,824	2,280	16,104
At 31 March 2020	<u>75,792</u>	<u>6,117</u>	<u>81,909</u>
DEPRECIATION			
At 1 January 2019	24,083	3,632	27,715
Charge for period	6,463	1,078	7,541
At 31 March 2020	<u>30,546</u>	<u>4,710</u>	<u>35,256</u>
NET BOOK VALUE			
At 31 March 2020	<u>45,246</u>	<u>1,407</u>	<u>46,653</u>
At 31 December 2018	<u>37,885</u>	<u>205</u>	<u>38,090</u>

8. INVENTORIES

	2020 £	2018 £
Stocks	<u>19,583</u>	<u>19,077</u>

Notes to the Financial Statements - continued
For The Period 1 January 2019 to 31 March 2020

9. TRADE AND OTHER RECEIVABLES

	2020 £	2018 £
Current:		
Trade debtors	14,912	1,811
Other debtors	20,333	20,333
VAT	2,432	105,011
Called up share capital not paid	130	130
Prepayments and accrued income	33,355	871
	<u>71,162</u>	<u>128,156</u>

10. CASH AND CASH EQUIVALENTS

	2020 £	2018 £
Cash in hand	<u>6,281</u>	<u>4,368</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020 £	2018 £
69	B Ordinary	1	<u>69</u>	<u>69</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2020 £	2018 £
231	A Ordinary	£1	<u>231</u>	<u>231</u>

12. RESERVES

	Retained earnings £
At 1 January 2019	(4,403,813)
Deficit for the period	<u>(95,614)</u>
At 31 March 2020	<u>(4,499,427)</u>

13. TRADE AND OTHER PAYABLES

	2020 £	2018 £
Current:		
Trade creditors	70,308	50,452
Amounts owed to group undertakings	2,789,886	2,859,834
Social security and other taxes	81,838	51,593
Other creditors	972	3,854
Accrued expenses	3,984	21,368
	<u>2,946,988</u>	<u>2,987,101</u>

Notes to the Financial Statements - continued
For The Period 1 January 2019 to 31 March 2020

14. FINANCIAL LIABILITIES - BORROWINGS

	2020 £	2018 £
Current:		
Other loans	<u>1,784,019</u>	<u>1,784,019</u>
Terms and debt repayment schedule		
		1 year or less £
Other loans		<u>1,784,019</u>

15. ULTIMATE PARENT COMPANY

VE Power Limited is regarded by the directors as being the company's ultimate parent company by virtue of holding 51.33% of the share capital.

16. RELATED PARTY DISCLOSURES

At the end of the year the company owed a total of £1,034,310 (2018: £1,034,310) to Eco Quest Plc, a company which owns 23% of the share capital, under a term facility agreement. The balance owed consists of a term loan of £727,500 (2018: £727,500) and accrued interest of £306,810 (2018: £306,810). The total amount of interest charged during the year was £nil (2018: £87,660).

17. ULTIMATE CONTROLLING PARTY

Mr Dan Cross is the ultimate controlling party.

18. GOING CONCERN

The company meets its day to day working capital requirements through financial support via a term loan from its investors Eco Quest Plc and The Just for Loans Group Plc. Eco Quest Plc and The Just for Loans Group Plc have indicated its intention to provide ongoing financial support to the full extent that is required by the company.