

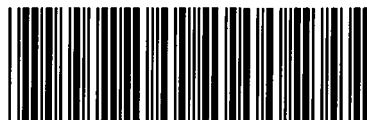
A-Gas International Limited

Annual report and financial statements

Registered number 02074334

31 December 2017

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Company information

Directors

AJ Ambrose
IVS Podmore (appointed 4 July 2017)
JM Roach (appointed 11 August 2017)
REM Stewart

Secretary

REM Stewart

Auditor

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Main Bankers

The Royal Bank Of Scotland PLC
3 Temple Back East
Temple Quay
Bristol
BS1 6DZ

Solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Registered Office

Banyard Road
Portbury West
Bristol
BS20 7XH

Strategic report

Principal activity

The principal activity of the company is as an intermediate and property holding company.

Review of the business and future developments

The company's financial and other key performance indicators during the year ended 31 December 2017 are as follows:

	2017 £000	2016 £000	Change %
Profit after tax	7,923	17,133	(54%)
Shareholders' funds	90,063	82,140	10%
Current assets as a percentage of current liabilities	340%	333%	7%

Principal risks and uncertainties

The company holds an investment balance in the A-Gas group. The company's principle risk is recovery of its investment, which is related to the principle risks and uncertainties facing the group. These principle risks and uncertainties facing the group are broadly grouped as legislative risk and exposure to price, credit, liquidity and cash flow risk.

Legislative risk

Demand for A-Gas' products is driven by growth in the underlying demand for climate cooling, refrigeration and fire protection applications. Changes in the regulatory environment in these sectors has an impact on the mix of products we sell in each market. There are various regulations governing the packaging used to distribute these products, with disposable cylinders no longer permitted in the EU and Australia.

The regulatory developments noted above refer principally to the international treaty known as the Montreal Protocol, which controls and will ultimately phase out the production and use of ozone depleting substances (ODS) and specifically the chlorine containing CFC (chlorofluorocarbon) and HCFC (hydrochlorofluorocarbon) based products. The principal replacement products for these ODSs are HFCs (hydrofluorocarbons) and whilst ozone benign, these products are considered to have global warming potential (GWP) and as such are included in the 'basket' of six gases (the major one being CO₂) which are encompassed in the Kyoto Protocol.

During 2015, consensus was reached at the Kigali meeting of the Montreal Protocol Committee on bringing the phase down of HFCs under the Montreal Protocol which is seen as a positive move by the industry in moving end users towards lower GWP products. The so-called Kigali amendment was ratified in 2017 enacting the next legislation.

A-Gas continues to monitor and comply with regulatory and legislative changes in all territories, adapting its product range, packaging and environmental services accordingly.

In addition to the Montreal Protocol, the following key legislative frameworks apply within A-Gas territories:

Strategic report (continued)

Principal risks and uncertainties (continued)

Legislative risk (continued)

- **F-Gas regulation (UK/Europe)** – Passed as law by the European Parliament in 2006 as part of the EU's commitments under the Kyoto Protocol, this legislation aimed to reduce emissions of fluorinated greenhouse gases (F Gases) comprising mainly hydrofluorocarbons (HFCs) through containment, leak reduction, repair and recovery. Revisions of the EU F-Gas regulation proposed in 2014 have now entered into force and took effect from 1 January 2015.

The revisions include a cap and phase-down in the supply of HFCs, beginning with a freeze in supply in 2015 (calculated as the annual average of the total quantity of HFCs produced and imported into the EU during the period from 2009 to 2014). This is to be followed by a series of reduction steps from 2016 to reach 21% of HFC supply by 2030. Provision is made for the free allocation of HFC quotas to individual companies based on their historic reported HFC volumes placed on the EU market from 2009 to 2014.

The revisions also included prohibition of F-Gases with a global warming potential (GWP) of 2500 or more, although the use of reclaimed and recycled F gases with a GWP above 2500 is allowed until 1 January 2030. A proposed ban on import of pre-charged equipment was not approved and was replaced with measures for tracking such imports and exports.

The revisions are expected to increase demand in the medium term for the group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

- **Clean Air Act / Environmental Protection Agency (US)** - Effective 1 January 1996, the Clean Air Act prohibited the production of virgin chlorofluorocarbon (CFC) refrigerants and limited the production of virgin hydrochlorofluorocarbon (HCFC) refrigerants to comply with the US obligations under the Montreal Protocol.

The US Environmental Protection Agency (EPA) is responsible for establishing federal regulations to comply with the Act, and it has achieved this by issuing annual consumption and production allowances to US manufacturers and importers. The regulations allow for the production or importation of HCFC-22 and the allowances for 2015 were 22 million pounds, reducing in a linear manner down to zero in 2020.

The revisions are expected to increase demand in the medium term for the group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

- As a party to the Montreal Protocol and its amendments, South Africa is obliged and committed to following the agreed phase out as follows:
 - Freeze consumption and production in 2017 at the baseline consumption (2009-2010);
 - Reduce 10% by 1 January 2015;
 - Reduce 35% by 1 January 2020;
 - Reduce 67.5% by 1 January 2025;
 - Allow 2.5% annual consumption during 1 January 2030-31 December 2040.

This is controlled through the regulations regarding the Phasing Out and Management of Ozone Depleting Substances (ODS) together with the National Environmental Air Quality Act. The phase-out mechanism adopted by the Department of Environmental Affairs (DEA) to ensure that South Africa adheres to this phase out schedule, is by the issuing of quotas to importers of HCFCs based on their 2009/10 import volumes. South Africa has elected to accelerate the phase out of HCFCs by annual reductions in quota from 2015 and has also elected to accelerate the phase out of HCFC R141b with all imports of this product being banned from 1 January 2016. In addition, recovery of used product is now mandatory.

Strategic report (continued)

Principal risks and uncertainties (continued)

Legislative risk (continued)

- **Ozone Protection and Synthetic Greenhouse Gas Management (Australia)** – as regards the phase-out of HCFCs in Australia, the country is following an accelerated phase-out plan in comparison to their obligations under the Montreal Protocol. This accelerated plan all but removes the ability to import or produce virgin HCFCs from the beginning of 2017. Under the same legislation, the Australian Government has passed into law the phase down of HFCs to achieve an 85% reduction in imports/production by 2036. The phase down has commenced from the beginning of 2018 and represents an acceleration of their commitments under the Kigali Amendment to the Montreal Protocol.

This legislation is expected to increase demand in the medium term for the Group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

Exposure to price, credit, liquidity and cash flow risk

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and deferred terms are only granted to customers who demonstrate an appropriate payment history and credit worthiness.

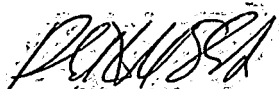
Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by properly managing cash generation from its operations and applying cash collection targets. The group also manages liquidity risk by managing credit facilities and fixed term debt.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability. The group manages this risk by preparing rolling three-month forward cash flow forecasts.

By order of the board:



REM Stewart
Director

Banyard Road
Portbury West
Bristol
BS20 7XH

3 September 2018

Directors' Report

The directors present their report and financial statements for the year to 31 December 2017. The financial statements are prepared on a going concern basis.

Results and dividends

The profit after taxation for the year amounted to £7,923,000 (2016: £17,133,000).

There were no dividends paid during the year (2016: £nil). The directors do not recommend the payment of a final dividend (2016: £nil).

Directors of the company

The directors who served during the year, and subsequently, were as follows:

AJ Ambrose
RO Buissinne (resigned 11 August 2017)
SA Price (resigned 11 August 2017)
JP Masters (resigned 11 August 2017)
IVS Podmore (appointed 4 July 2017)
JM Roach (appointed 11 August 2017)
REM Stewart

Directors' qualifying third party indemnity provision

The group has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2016: £nil).

Disabled involvement

The group gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements specified. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or alternative position and to provide appropriate training to achieve this aim. The company had no staff at any time during the year.

Employee involvement

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the period the policy of providing employees with information about the A-Gas group has been continued through monthly meetings. Employees participate directly in the success of the business through the group's profit sharing scheme. The company had no staff at any time during the year.

Directors' Report *(continued)*

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Re-appointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board:



REM Stewart
Director

Banyard Road
Portbury West
Bristol
BS20 7XH

3 September 2018

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



66 Queen Square
Bristol
BS1 4BE
United Kingdom

Independent auditor's report to the members of A-Gas International Limited

Opinion

We have audited the financial statements of A-Gas International Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of A-Gas International Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

NChimes

Nathan Chimes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

3 September 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	-	-
Administrative expenses	3	(179)	(61)
Other operating income	4	1,058	924
Operating profit		879	863
Interest receivable and similar income	7	4,977	15,911
Interest payable and similar expenses	8	(5,434)	(23)
Income from investments		7,501	3,338
Profit before taxation		7,923	20,089
Tax on profit	9	-	(2,956)
Profit after taxation		7,923	17,133

All results derive from continuing activities.

There are no other recognised gains or losses attributable to the shareholders of the company other than as stated above and therefore no separate Statement of Other Comprehensive Income has been presented.

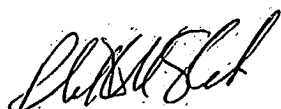
The notes on pages 13 to 29 form an integral part of these financial statements.

Balance Sheet
at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	10	107	72
Tangible assets	11	76	102
Investment Property	12	1,648	1,764
Investments	13	22,026	17,473
		<u>23,857</u>	<u>19,411</u>
Current assets			
Debtors	14	92,995	89,251
Cash at bank and in hand		854	407
		<u>93,849</u>	<u>89,658</u>
Creditors: amounts falling due within one year	15	<u>(27,639)</u>	<u>(26,925)</u>
Net current assets		<u>66,210</u>	<u>62,733</u>
Total assets less current liabilities		<u>90,067</u>	<u>82,144</u>
Provisions for liabilities			
Deferred taxation	16	(4)	(4)
Net assets		<u>90,063</u>	<u>82,140</u>
Capital and reserves			
Share capital	17	477	477
Share premium		25	25
Profit and loss account		89,561	81,638
Equity shareholder's funds		<u>90,063</u>	<u>82,140</u>

The notes on pages 13 to 29 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 3 September 2018 and were signed on its behalf by:



REM Stewart
Director

Company registered number: 02074334

Statement of Changes in Equity

	Called up Share capital	Share premium	Profit & loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2016	477	25	64,505	65,007
Total comprehensive income for the period				
Profit for the year	-	-	17,133	17,133
Total comprehensive income for the period	-	-	17,133	17,133
Balance at 31 December 2016	477	25	81,638	82,140

	Called up Share capital	Share premium	Profit & loss account	Total equity
	£000	£000	£000	£000
Balance at 1 January 2017	477	25	81,638	82,140
Total comprehensive income for the period				
Profit for the year	-	-	7,923	7,923
Total comprehensive income for the period	-	-	7,923	7,923
Balance at 31 December 2017	477	25	89,561	90,063

Notes

(forming part of the financial statements)

1 Accounting policies

A-Gas International Limited (the company) is a company limited by shares and incorporated and domiciled in England and Wales in the UK. The registered number is 02074334 and the registered address is Banyard Road, Portbury West, Bristol, BS20 7XH.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements. The preparation of financial statements requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the company's accounting policies. Management do not believe there are any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Company's results are included within the A-Gas Group Limited (see note 19) consolidated financial statements. The consolidated financial statements of A-Gas Group Limited are prepared in accordance with FRS 102. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of A-Gas Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis, except Investment Properties, which are stated at fair value through profit or loss. The directors do not believe that there are any estimates or judgements that have a significant effect on these financial statements

Notes (continued)

1 Accounting policies (continued)

Going concern

The directors have prepared cash flow forecasts and have concluded that the company should be able to operate within the level of its current facilities. In preparing those forecasts, the directors have taken into account various risks and uncertainties and they have a reasonable expectation that the company has adequate 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.

Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

1 Accounting policies (continued)

Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

i) investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii) no depreciation is provided in respect of investment properties applying the fair value model. If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	- 10 years
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Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes (continued)

1 Accounting policies (continued)

Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software	- 5 years
Patents and licences	- over the useful life of the asset on a reducing basis

Notes (continued)

2 Turnover

The company is an intermediate holding company and has not traded during the current or preceding year.

3 Expenses and auditors' remuneration

Included in profit are the following expenses:

	2017 £000	2016 £000
Amortisation of intangible assets	5	5
Depreciation of fixed assets	26	25
Fair value adjustment - impairment to Investment Property (note 12)	116	-
Auditors' remuneration:		
– audit of these financial statements (refer below)	-	-

The Company's audit fee was £3,000 (2016: £3,000) and was borne by another company within the A-Gas group, A-Gas (Orb) Limited. Fees paid to the company's auditor, KPMG LLP, for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, A-Gas Group Limited disclose non-audit fees on a consolidated basis.

4 Other operating income

Other operating income of £1,058,000 (2016: £924,000) recognised during the year relates to licence fees of £943,000 (2016: £663,000) that are received from other entities in the A-Gas (Orb) Limited group and rent received of £115,000 (2016: £115,000) in the year from a company in the A-Gas group. Other operating income also included a fair value gain relating to the Investment Property (note 12) of £146,000 in the prior year.

5 Directors' remuneration

All directors are also directors of an intermediate parent company, A-Gas Group Limited. Their emoluments for both the current and preceding years are borne by and disclosed in the financial statements of A-Gas (Orb) Limited, an intermediate group company. None of the services provided by the directors can be attributed to the company as they are insignificant.

6 Staff costs

The company had no staff, other than the directors, at any time during the year (2016: Nil).

7 Interest receivable and similar income

	2017 £000	2016 £000
Interest on loans due from group undertakings	4,977	4,345
Foreign exchange gain	-	11,566
	<u>4,977</u>	<u>15,911</u>

Notes (continued)

8 Interest payable

	2017 £000	2016 £000
Interest on bank loans and overdrafts	64	23
Foreign exchange loss	5,370	-
	<u>5,434</u>	<u>23</u>

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £000	£000	2016 £000	£000
<i>Current tax</i>				
Current tax on income for the period		-		1,656
Group relief		-		1,249
Foreign tax		-		96
Adjustments in respect of prior periods		-		(56)
Total current tax				<u>2,945</u>
<i>Deferred tax (see note 16)</i>				
Origination and reversal of timing differences	-		1	
Prior year adjustment	-		10	
Change in tax rate on opening balance	-		-	
		-		<u>11</u>
Total tax				<u>2,956</u>

	£000	2017 £000	£000	£000	2016 £000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	-	-	-	2,945	11	2,956
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
Total tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,945</u>	<u>11</u>	<u>2,956</u>

Notes (continued)

9 Taxation (continued)

Analysis of current tax recognised in profit and loss:

	2017 £000	2016 £000
UK corporation tax	-	2,905
Foreign tax	-	96
Prior year adjustment	-	(56)
Total current tax recognised in profit and loss	-	2,945

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	7,923	17,133
Total tax expense	-	2,956
Profit excluding taxation	7,923	20,089
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	1,525	4,018
Thin capitalisation and transfer pricing	(46)	(323)
Fixed asset differences	15	4
Dividends not taxable	(1,444)	(668)
Group relief received for nil consideration	(63)	(1,249)
Payment for group relief	-	1,249
Prior year adjustment	-	(45)
Fair value adjustment to investment property	22	(25)
Difference in current and deferred tax	(9)	(5)
Total tax expense included in profit or loss	-	2,956

Changes to taxation from future rate changes are described in note 16.

Notes (continued)

10 Intangible fixed assets

	Patents and licences £000	Software and trademarks £000	Total £000
<i>Cost</i>			
Balance at 1 January 2017	39	43	82
Additions	9	31	40
	<hr/>	<hr/>	<hr/>
At 31 December 2017	48	74	122
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
Balance at 1 January 2017	3	7	10
Charge for the year	2	3	5
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	5	10	15
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2017	43	64	107
	<hr/>	<hr/>	<hr/>
At 1 January 2017	36	36	72
	<hr/>	<hr/>	<hr/>

11 Tangible fixed assets

	Leasehold Improvements £000
<i>Cost</i>	
Balance at 1 January 2017	127
Additions	-
	<hr/>
Balance at 31 December 2017	127
	<hr/>
<i>Depreciation</i>	
Balance at 1 January 2017	25
Provided during the year	26
	<hr/>
Balance at 31 December 2017	51
	<hr/>
<i>Net book value</i>	
At 31 December 2017	76
	<hr/>
At 1 January 2017	102
	<hr/>

Notes (continued)

12 Investment Property

	2017 £000
Balance at 1 January 2017	1,764
Additions	
Fair value adjustments	(116)
Balance at 31 December 2017	1,648
Depreciation	
Balance at 1 January 2017	
Provided during the year	
Balance at 31 December 2017	
Historical cost at net book value	922

The directors value the investment property every year.

The valuation, which is supported by market evidence using rentals charged on a similar property by an unrelated third party, is prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific weighted average cost of capital for the group is then applied to the net annual rentals to arrive at the property valuation. The weighted average cost of capital (WACC) applied to the property was 13.9% (2016: 12.1%). The change in rate applied is due to a revised WACC being used for the A-Gas Group which was determined by an independent third party.

Any gain or loss arising from a change in fair value is recognised in profit or loss, as detailed in note three. Rental income from investment property is accounted for as described in the accounting policy notes and is included within other operating income, as detailed in note four.

Notes (continued)

13 Fixed Asset Investments

The companies in which the company has an interest at year end are as follows:

Name of company	Class and percentage of shares held	Country of incorporation	Registered Address	Principal Activity
<i>Subsidiary undertaking</i>				
A-Gas (UK) Limited	100% ordinary	England & Wales	Banyard Road, Portbury West, Bristol, BS20 7XH, UK	Chemicals and gases
A-Gas (Australia) Pty Limited	100% ordinary	Australia	9-11 Oxford Road, Laverton North, Melbourne, Victoria	Chemicals and gases
A-Gas (South Africa) (Pty) Limited	100% ordinary	South Africa	49 Afrikander Road, Mirdock Valley South, Simonstown	Chemicals and gases
A-Gas (SEA) Pte Limited	100% ordinary	Singapore	360 Orchard Road, #10-05 International Building	Chemicals and gases
A-Gas Electronic Materials Limited	100% ordinary	England & Wales	Banyard Road, Portbury West, Bristol, BS20 7XH, UK	Electronic materials
A-Gas (Performance Chemicals), Inc. ¹	100% ordinary	USA	310 North Broad Street, Doylestown, PA, 18901	Chemicals and gases
Comercializadora Industrial JFD, S.A de C.V (CIJSA)	100% ordinary	Mexico	Pablo Villaseñor 460, Col. Ladrón de Guevara CP 44600 Guadalajara	Chemicals and gases
A-Gas Solpac Asia Pacific Pte Limited ¹	100% ordinary	Singapore	360 Orchard Road, #10-05 International Building	Holding company
A-Gas Solpac Holdings (Thailand) Limited ¹	49% ordinary	Thailand	68-68/6 S&B Tower, Floor 7th, Room 702, Pan Road, Bangkok	Holding company
A-Gas Thailand Limited ¹	99% ordinary	Thailand	68-68/6 S&B Tower, Floor 7th, Room 702, Pan Road, Bangkok	Chemicals and gases
A-Gas (Shanghai) Chemical Co Ltd ¹	100% ordinary	China	6C International Ocean Building, 720 Pudong Avenue, Shanghai	Chemicals and gases
A-Gas US Holdings, Inc. ¹	100% ordinary	USA	1209 Orange Street, Wilmington, New Castle County, Delaware	Holding company
A-Gas US, Inc. ¹	100% ordinary	USA	1209 Orange Street, Wilmington, New Castle County, Delaware	Holding company
Reclamation Technologies, Inc. ¹	100% ordinary	USA	4119 Dunkirk, Toledo, Ohio, 43606	Chemicals and gases
Coolgas, Inc. ¹	100% ordinary	USA	1209 Orange Street, Wilmington, New Castle County, Delaware	Chemicals and gases
A-Zone Technologies Limited ¹	100% ordinary	England & Wales	Banyard Road, Portbury West, Bristol, BS20 7XH, UK	Chemicals and gases
RapRec, Inc. ¹	100% ordinary	USA	8932, W. Cactus Road, Peoria, AZ	Chemicals and gases
RapRec Franchising, Inc. ¹	100% ordinary	USA	8932, W. Cactus Road, Peoria, AZ	Chemicals and gases
RapRec Support, Inc. ¹	100% ordinary	USA	8932, W. Cactus Road, Peoria, AZ	Chemicals and gases
RapRec Refrigerants, Inc. ¹	100% ordinary	USA	8392, W. Cactus Road, Peoria, AZ	Chemicals and gases
BTC B.V	100% ordinary	Netherlands	Albert Thijsstraat 65, 6471 WX, Eygelshoven	Chemicals and gases
Diversified Pure Chem LLC ^{1,2}	100% ordinary	USA	1209 Orange Street, Wilmington, New Castle County, Delaware	Chemicals and gases
A-Gas Deutschland GmbH	100% ordinary	Germany	Reeperbahn 1, C/O Osborne Clarke, Rechtsanwälte Steuerberater PartGmbH, Tanzende Turme, 20359, Hamburg	Holding Company

Note 1 Shares held by a subsidiary company of A-Gas International Limited.

Note 2 Entity is an LLC, control is exercised via membership interests rather than shareholding.

Notes (continued)

13 Fixed Asset Investments (continued)

Company	Shares in group undertakings £000	Participating interests £000	Other investments other than loans £000	Total £000
Cost				
At beginning of year	18,327	-	-	18,327
Additions	4,553	-	-	4,553
Disposals	-	-	-	-
Transfers between items	-	-	-	-
At end of year	22,880	-	-	22,880
Provisions				
At beginning of year	854	-	-	854
Provided in year	-	-	-	-
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Reversal of past impairments	-	-	-	-
Transfers between items	-	-	-	-
At end of year	854	-	-	854
Net book value				
At 31 December 2017	22,026	-	-	22,026
At 1 January 2017	17,473	-	-	17,473

Notes (continued)

14 Debtors

	Loans to group undertakings	Loans to undertakings in which the company has a participating interest	Other	Total
Company	£000	£000	£000	£000
<i>Cost</i>				
At beginning of year	75,902	-	-	75,902
Additions	10,254	-	-	10,254
Repayments	(7,315)	-	-	(7,315)
At end of year	78,841	-	-	78,841
<i>Provisions</i>				
At beginning of year	-	-	-	-
Made during the year	-	-	-	-
At end of year	-	-	-	-
<i>Net book value</i>				
At 31 December 2017	78,841	-	-	78,841
At 1 January 2017	75,902	-	-	75,902

Notes (continued)

14 Debtors (continued)

	2017 £000	2016 £000
Loans due from subsidiary undertakings	78,841	75,902
Loans due from other group undertakings	10,053	9,303
Amounts owed by group undertakings	3,992	3,932
Other receivables and prepayments	109	114
	<u>92,995</u>	<u>89,251</u>

Loans due from subsidiary and group undertakings bear interest at various rates of between 2.25% to 8% and are repayable on demand. Amounts owed by group undertakings are repayable on demand.

All other amounts are due within one year.

15 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	16,186	21,465
Loans owed to group undertakings	10,724	3,605
Corporation tax	-	1,830
Other creditors	22	25
Deferred consideration	707	-
	<u>27,639</u>	<u>26,925</u>

Loans owed to group undertakings bear interest at various rates: EURIBOR+4.5%, LIBOR+4.5%, US LIBOR+4.5% and BBSW+4.5% and are repayable on demand. Amounts owed to group undertakings are repayable on demand.

Notes (continued)

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	-	4	4	4	4
Unused tax losses	-	-	-	-	-	-
Other timing differences	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Tax (assets) / liabilities	-	-	4	4	4	4
Net of tax liabilities/(assets)	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net tax (assets) / liabilities	-	-	4	4	4	4
	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2016) and 20% (effective from 1 April 2017) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2017. The March 2017 Budget announced that the rate will further reduce to 17% (effective from 1 April 2020). This will further reduce the company's future current tax charge and impact the group's deferred tax position accordingly.

The deferred tax liability at 31 December 2017 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

17 Capital and reserves

	2017	2016
	£000	£000
<i>Allotted, called up and fully paid</i>		
4,766,000 ordinary shares of 10p each	477	477
	<u>477</u>	<u>477</u>

Notes (continued)

18 Contingent liability

The company together with other group subsidiaries has fixed and floating charges under a charge dated 11 August 2017 in respect of loans and bank borrowings of the company. The total amount of loans guaranteed at 31 December 2017 was £206,071,360 (2016: £151,517,143). As at 31 December 2017, £176,071,360 (2016: £151,517,143) was utilised.

The company together with group subsidiaries has guaranteed the group revolving credit facility to the extent of £30,000,000 (2016: £7,500,000). As at 31 December 2017, £18,353,936 (2016: £nil) was utilised.

19 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Clean TopCo Limited. The ultimate controlling party is KKR & Co. Inc., incorporated in Delaware, United States of America and registered at 9 West 57th Street, Suite 4200, New York, New York, 10019, United States of America.

The largest group in which the results of the Company are consolidated is that headed by Clean TopCo Limited, incorporated in the Cayman Islands. The smallest group in which they are consolidated is that headed by A-Gas Group Limited, incorporated in England. The registered addresses are as follows:

- Clean TopCo Limited: PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
- A-Gas Group Limited: 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom

20 Related party transactions

The company has taken advantage of the exemption given by FRS 102 to subsidiary undertakings, 100% of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

	Loans & Receivables outstanding 2017 £	2016 £	Loans & creditors outstanding 2017 £	2016 £
Entities with control, joint control or significant influence	10,500	9,303	22,538	22,703
Entities over which the Company has control, joint control or significant influence (subject to wholly owned exemption)	82,386	79,834	4,372	2,367
	<u>92,886</u>	<u>89,137</u>	<u>26,910</u>	<u>25,070</u>

Notes (continued)

21 Post Balance Sheet Events

Other than the events detailed below, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the company and group, in future financial years.

The below events are all included due to the fact that A-Gas International Limited owns 100% of the share capital (directly or indirectly) of the acquiring entities:

A-Gas Deutschland GmbH acquired the entire share capital of Arthur Friedrichs Kältemittel GmbH for a consideration of £27.7m on 25 May 2018.

RAPREC Inc acquired 11 Rapid Recovery Franchises for a consideration of £7.1m between 13 April 2018 and 1 July 2018.

A-Gas Electronic Materials Limited acquired the trade and assets of Elga Europe Limited for a consideration of £0.4m on 31 July 2018.

A-Gas (Australia) (Pty) Limited disposed of the trade and assets of A-Gas Rural for a consideration of £2.6m on 10 August 2018.

22 Operating commitments

Non-cancellable operating leases and rentals are payable as follows:

	Land and buildings 2017 £000	Other 2017 £000	Land and buildings 2016 £000	Other 2016 £000
Less than one year	56	-	56	-
Between one and five years	70	-	126	-
More than five years	-	-	-	-
	<u>126</u>	<u>-</u>	<u>182</u>	<u>-</u>

During the year £56,000 was recognised as an expense in the profit and loss account in respect of operating leases for land and buildings and plant and machinery (2016: £56,000).

