

Registration number: 3101747

Air Products Group Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2018



Air Products Group Limited

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Air Products Group Limited

Directors' Report for the Year Ended 30 September 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

Directors of the company

The directors who held office during the year were as follows:

R. Boocock

C. Stinner

G. Weigard

Principal activity

The principal activity of the company is Air Products Group Limited is a holding company. Its principal subsidiaries' activities are the manufacture and sale of industrial gases and related products for their production and use. The principal risks of the company relate to the value of the investment in subsidiaries and the trading risks within those subsidiaries.

The loss for the year ended 30 September 2018 was £9,349,000 (2017: £247,319,000 profit). The company did not receive a dividend in 2018 (2017: £16,000,000 dividend). During the year the company paid a dividend of GBP 107,028,000 in respect of the previous year (2017: nil).

Policy and practice on payment of creditors

The group policy on the payment of creditors is to settle the terms of the payment with those suppliers when agreeing the terms of each transaction; ensure that those suppliers are made aware of the terms of the payment and abide by the terms of payment.

Political donations

The company made no political contributions during the year (2017: nil).

Employees

The company has no employees (2017: nil).

Strategic Report

The company has taken advantage of the exemption contained in section 414B of the Companies Act 2006 not to prepare a Strategic Report.

Air Products Group Limited

Directors' Report for the Year Ended 30 September 2018

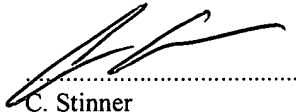
Disclosure of information to the auditors

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Reappointment of auditors

In accordance with section 512 of the Companies Act 2006, the auditor will not be deemed to be reappointed and KPMG LLP will therefore not continue in office.

Approved by the Board on 11 June 2019 and signed on its behalf by:



C. Stinner
Director

Hersham Place Technology Park
Molesey Road
Walton-on-Thames
Surrey
KT12 4RZ

Air Products Group Limited

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 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.

Independent Auditor's Report to the Members of Air Products Group Limited

Opinion

We have audited the financial statements of Air Products Group Limited ("the company") for the year ended 30 September 2018 which comprise the Profit and Loss Account, Statement of 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 30 September 2018 and of its loss 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.

Other matter

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 and appropriateness of the going concern basis of preparation of the financial statements. 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.

Independent Auditor's Report to the Members of Air Products Group Limited

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in the directors' report for the financial year is consistent with the financial statements; and
- in our opinion the directors' report has been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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.

Independent Auditor's Report to the Members of Air Products Group Limited

Malcolm Footer

Malcolm Footer (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
London
E14 5GL

Date: *12 June 2019*

Air Products Group Limited

Profit and Loss Account for the Year Ended 30 September 2018

	Note	2018 £ 000	2017 £ 000
Turnover		-	-
Administrative expenses		<u>(45)</u>	<u>(11)</u>
Operating loss	2	(45)	(11)
Income from other fixed asset investments	4	-	16,000
Other interest receivable and similar income	5	10,725	4,021
Interest payable and similar expenses	6	(20,835)	(24,819)
Gain on sale of fixed asset investment		<u>647</u>	<u>252,149</u>
(Loss)/profit before tax		(9,508)	247,340
Taxation	7	<u>159</u>	<u>(21)</u>
(Loss)/profit for the financial year		<u><u>(9,349)</u></u>	<u><u>247,319</u></u>

The notes on pages 11 to 20 form an integral part of these financial statements.

Air Products Group Limited

Statement of Comprehensive Income for the Year Ended 30 September 2018

	Note	2018 £ 000	2017 £ 000
(Loss)/profit for the year		<u>(9,349)</u>	<u>247,319</u>
Total comprehensive (loss)/ income for the year		<u><u>(9,349)</u></u>	<u><u>247,319</u></u>

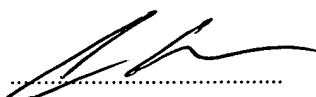
The notes on pages 11 to 20 form an integral part of these financial statements.

Air Products Group Limited

(Registration number: 3101747)
Balance Sheet as at 30 September 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	8	653,018	653,018
Current assets			
Debtors	9	321	34,016
Cash at bank and in hand		<u>247</u>	<u>147,486</u>
		568	181,502
Creditors: Amounts falling due within one year	10	<u>(2,236)</u>	<u>(8,820)</u>
Net current (liabilities)/assets		<u>(1,668)</u>	<u>172,682</u>
Total assets less current liabilities		651,350	825,700
Creditors: Amounts falling due after more than one year	10	(200,000)	(255,894)
Provisions for liabilities		<u>(767)</u>	<u>(2,846)</u>
Net assets		<u>450,583</u>	<u>566,960</u>
Capital and reserves			
Called up share capital	12	167,204	167,204
Other reserves	13	55,163	55,163
Profit and loss account	13	<u>228,216</u>	<u>344,593</u>
Total equity		<u>450,583</u>	<u>566,960</u>

Approved and authorised by the Board on 11 June 2019 and signed on its behalf by:



C. Stinner
Director

The notes on pages 11 to 20 form an integral part of these financial statements.

Air Products Group Limited

Statement of Changes in Equity for the Year Ended 30 September 2018

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2016	77,204	55,163	97,274	229,641
Profit for the year	-	-	247,319	247,319
Total comprehensive income	-	-	247,319	247,319
New share capital subscribed	90,000	-	-	90,000
At 30 September 2017	167,204	55,163	344,593	566,960
	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2017	167,204	55,163	344,593	566,960
Loss for the year	-	-	(9,349)	(9,349)
Total comprehensive loss	-	-	(9,349)	(9,349)
Dividends	-	-	(107,028)	(107,028)
At 30 September 2018	167,204	55,163	228,216	450,583

The notes on pages 11 to 20 form an integral part of these financial statements.

Air Products Group Limited

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The presentation currency of these financial statements is sterling. The amounts are presented in £1,000

Basis of preparation

These financial statements are prepared on a going concern basis. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Measurement convention

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, Air Products and Chemicals Inc., includes the company's cash flows in its own consolidated financial statements.

The consolidated financial statements of Air Products and Chemicals Inc. are prepared in accordance with US Generally Accepted Accounting Principles and are available to the public. 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.

The company has taken advantage of the exemption, under FRS 102 para 33.7 from disclosing total compensation of key management personnel.

The company has taken advantage of the exemption for qualifying entities from certain financial instrument disclosures, on the basis that the equivalent disclosures are included in the consolidated financial statements of Air Products and Chemicals Inc., the ultimate parent company.

The company has taken advantage of the exemption, under FRS 33.1 (a), from disclosing related party transactions as they are all with other companies that are wholly owned by Air Products and Chemicals Inc.

The consolidated financial statements of the ultimate parent Air Products and Chemicals Inc., within which this company is included, can be obtained from the company's registered office (see Note 14).

Going concern

The directors 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.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries.

Air Products Group Limited

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the profit and loss account. If the transaction is hedged forward, the gains or losses arising on completion of this contract are recognised on the date of completion in the profit and loss account.

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.

Air Products Group Limited

1 Accounting policies (continued)

Financial instruments

Classification

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Recognition and measurement

Basic financial instruments

Other debtors / creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. 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. 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.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment, with net revaluation gains recognised in OCI and net revaluation losses in profit or loss.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Air Products Group Limited

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

2 Operating loss

Arrived at after charging

	2018 £ 000	2017 £ 000
<i>Auditor's remuneration</i>		
Audit of these financial statements	<u>20</u>	<u>19</u>

3 Directors' remuneration

Directors received no emoluments in connection with their services as a director of the company during the year (2017: £nil).

4 Income from other fixed asset investments

	2018 £ 000	2017 £ 000
Dividends from fixed asset instruments	<u>-</u>	<u>16,000</u>

5 Other interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest income	1,422	1,330
Gain on derivative financial instruments	9,303	2,466
Other foreign exchange gains	<u>-</u>	<u>225</u>
	<u>10,725</u>	<u>4,021</u>

Air Products Group Limited

6 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Interest payable to group companies	7,747	9,301
Foreign exchange loss on loans from group companies	8,657	1,363
Foreign exchange loss on cash and cash equivalents	3,932	12,769
Other finance expense	-	1,386
Other foreign exchange losses	499	-
	<u>20,835</u>	<u>24,819</u>

7 Taxation

Analysis of (credit)/ charge in the period:

	2018 £ 000	2017 £ 000
<i>UK corporation tax</i>		
Current tax on income for the period	(41)	(31)
Adjustments in respect of prior periods	<u>-</u>	<u>(17)</u>
Total current tax	(41)	(48)
Foreign tax	<u>-</u>	<u>51</u>
Total current income tax	<u>(41)</u>	<u>3</u>
<i>Deferred taxation</i>		
Origination/reversal of timing differences	17	18
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(135)</u>	<u>-</u>
Total deferred taxation	<u>(118)</u>	<u>18</u>
Tax (receipt)/expense in the income statement	<u>(159)</u>	<u>21</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19.5% (2017 - 19.5%).

The differences are reconciled below:

Air Products Group Limited

7 Taxation (continued)

	2018 £ 000	2017 £ 000
(Loss)/profit before tax	<u>(9,508)</u>	<u>247,340</u>
Corporation tax at standard rate	(1,854)	48,231
Effect of expense not deductible in determining taxable profit (tax loss)	(127)	(52,444)
Effect of foreign tax rates	-	51
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	(135)	(17)
Tax increase arising from group relief	1,959	4,202
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(2)</u>	<u>(2)</u>
Total tax (credit)/charge	<u><u>(159)</u></u>	<u><u>21</u></u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) 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 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 15 September 2016.

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000
2018	
At beginning of year	140
Charge to the profit and loss for the year	(17)
Adjustment in respect of prior periods	<u>135</u>
	<u><u>258</u></u>
2017	
At beginning of year	158
Charge to the profit and loss for the year	(18)
Adjustment in respect of prior periods	<u>-</u>
	<u><u>140</u></u>

Air Products Group Limited

8 Investments in subsidiaries, joint ventures and associates

Details of undertakings

Cost	2018 £ 000
At 1 October 2017	653,018
Additions	-
Disposals	-
At 30 September 2018	<u>653,018</u>

Details of the investments the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Air Products (BR) limited	Great Britain	Directly	100%	100%
Air Products PLC		Directly	100%	100%
Air Products Ireland Limited	Ireland	Indirectly	100%	100%
Air Products (Chemicals) Teesside Limited	Great Britain	Directly	100%	100%
Prodair Services Limited	Great Britain		100%	100%
Air Products Renewable Energy Limited	Great Britain	Indirectly	100%	100%
Air Products Yanbu Limited	Great Britain	Directly	100%	100%
Cryoservice Limited	Great Britain	Directly	100%	100%
Gas Direct Ltd	Great Britain	Indirectly	100%	100%
Joint ventures				
Air Products Llanwern Limited	Great Britain	Indirectly	50%	50%

Air Products Group Limited

8 Investments in subsidiaries, joint ventures and associates (continued)

Associates

Inversiones Air Products Holdings Limitada	Chile	Directly	11.5%	11.5%
Air Products and Chemicals de Mexico, S.A. de C.V.	United Mexican States	Indirectly	21%	21%

9 Debtors

	Note	2018 £ 000	2017 £ 000
Other debtors		2	-
Deferred tax assets	7	258	140
Income tax asset		61	48
Derivative financial instruments measured at fair value through profit or loss		-	33,828
		<u>321</u>	<u>34,016</u>

Air Products Group Limited

10 Creditors

	2018 £ 000	2017 £ 000
Due within one year		
Amounts owed to group undertakings	2,216	8,801
Accruals and deferred income	<u>20</u>	<u>19</u>
	<u>2,236</u>	<u>8,820</u>
Due after one year		
Amounts owed to group undertakings	<u>200,000</u>	<u>255,894</u>

11 Financial instruments

Categorisation of financial instruments

	2018 £ 000	2017 £ 000
Financial assets measured at fair value through profit or loss	<u>-</u>	<u>33,828</u>
	<u>-</u>	<u>(33,828)</u>

The fair value of derivative financial instruments is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

12 Share capital

Allotted, called up and fully paid shares

	2018	2017
	No. 000 £ 000	No. 000 £ 000
Ordinary shares A of £1 each	<u>167,204</u> <u>167,204</u>	<u>167,204</u> <u>167,204</u>

Air Products Group Limited

13 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At beginning of year	167,204	55,163	344,593	566,960
Dividend paid	-	-	(107,028)	(107,028)
Loss for the financial year	-	-	(9,349)	(9,349)
At end of year	<u>167,204</u>	<u>55,163</u>	<u>228,216</u>	<u>450,583</u>

14 Parent and ultimate parent undertaking

The company is a subsidiary undertaking of Air Products and Chemicals Inc, which is the ultimate parent company incorporated in Delaware, USA.

The largest group in which the results of the company are consolidated is that headed by Air Products and Chemicals, Inc., the ultimate controlling party and a company incorporated in the State of Delaware, USA. The consolidated financial statements of this group are available to the public and may be obtained from:

Corporate Secretary
Air Products and Chemicals, Inc
7201 Hamilton Boulevard
Allentown
Pennsylvania 18195 - 1501