

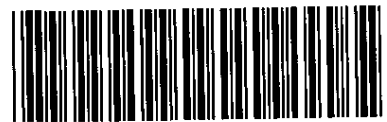
Registered No. 05165622

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2021

MONDAY



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LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2021.

Luxfer Gas Cylinders China Holdings Limited is a private company limited by shares, domiciled, registered and incorporated in England and Wales. The Company's registered address is Lumns Lane, Manchester M27 8LN.

Principal activities

The Company is a holding company for an overseas subsidiary, as such, the main purpose of the Company is to receive dividends from its overseas subsidiary and distribute these further up the Group to its immediate parent undertaking in the U.K.

Results and dividends

The profit for the financial year amounted to £238,000 (2020: £411,000). There were no dividends paid in either the current or prior year, and the Directors do not recommend the payment of a final dividend (2020: £nil).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources and borrowing facilities to continue operational existence for the foreseeable future. The investment held by the entity is profitable and cash generative. The Company also has access to the group revolving credit facility which is committed until July 2026. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Directors

The Directors of the Company who served during the year and up to the date of signing the financial statements were:

A W J Butcher (appointed 6 May 2022)
A Maskara (resigned 6 May 2022)
S M D Webster

Directors' liabilities

The Company has in force an indemnity provision in favour of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions, as defined in the Companies Act 2006, were in force during the year and up to the date of the Directors' Report for the benefit of the directors of the company.

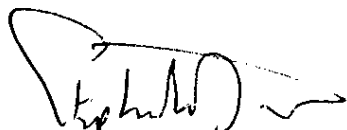
Audit exemption

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Small company exemptions

The Directors' Report has been prepared and Strategic Report exemption taken in accordance with the special provisions of sections 415A, 414B and Part 15 of the Companies Act 2006 relating to small entities.

On behalf of the Board on 28 June 2022



S M D Webster
Director

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Company financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. 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 for the period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable International accounting standards in conformity with the requirements of Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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 and the Directors' Remuneration Report comply with the Companies Act 2006.



S M D Webster
Director

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

All amounts in thousands

	Note	2021 £000	2020 £000
INCOME FROM NON-CURRENT ASSET INVESTMENTS	2	244	432
Administrative expenses		(2)	(5)
OPERATING PROFIT		242	427
Interest receivable and similar income.....	5	8	6
PROFIT BEFORE TAXATION		250	433
Income tax charge.....	6	(12)	(22)
PROFIT FOR THE FINANCIAL YEAR		238	411
Attributable to:			
Equity shareholders.....		238	411

There was no comprehensive income in the year (2020: £nil). Therefore, no separate Statement of Comprehensive Income has been presented.

The notes on pages 7 to 12 are an integral part of these financial statements.

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2021

All amounts in thousands

	Note	31 December 2021 £000	31 December 2020 £000
ASSETS			
Non-current assets			
Investments	7	1,792	1,792
Current assets			
Trade and other receivables	8	664	425
Cash and cash equivalents	9	—	1
		664	426
TOTAL ASSETS		2,456	2,218
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	10	1,796	1,796
Retained earnings		660	422
Capital and reserves attributable to the company's equity shareholders		2,456	2,218
Total equity		2,456	2,218
Current Liabilities			
Total liabilities		—	—
TOTAL EQUITY AND LIABILITIES		2,456	2,218

Audit Exemption Statement

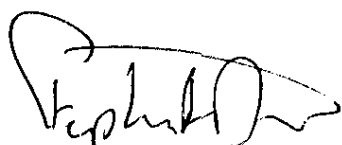
For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The notes on pages 7 to 12 are an integral part of these financial statements.

The financial statements on pages 4 to 12 were approved by the Board on 28 June 2022 and signed on its behalf by:



S M D Webster
Director

Company Registration No. 05165622

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

All amounts in thousands

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2020	1,796	11	1,807
Profit for the financial year	—	411	411
Total comprehensive income for the year	—	411	411
At 31 December 2020	1,796	422	2,218
Profit for the financial year	—	238	238
Total comprehensive income for the year	—	238	238
At 31 December 2021	1,796	660	2,456

The notes on pages 7 to 12 are an integral part of these financial statements.

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The financial statements have been prepared on the historical cost basis and on the going concern basis as disclosed in the statement of going concern as set out in the Directors' Report.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to apply the going concern basis for accounting in the preparation of the Company financial statements.

Once approved, the financial statements cannot be amended without re-presenting them for approval by the Board.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's ultimate parent company and from where its consolidated financial statements prepared in accordance with IFRS may be obtained. The accounting policies set out in this note to the financial statements have been consistently applied in preparing these financial statements and comparative information from 1 January 2020.

The key disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRSs);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The policies set out below have been consistently applied across all years presented, unless stated otherwise.

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

All amounts in thousands

1. Accounting policies (Continued)

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in GBP sterling (£), which is also the Company's functional currency.

Consolidation

The Company is a wholly owned subsidiary of Luxfer Overseas Holdings Limited and of its ultimate parent, Luxfer Holdings PLC. It is included in the consolidated financial statements of Luxfer Holdings PLC which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

Investments and income from non-current investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

As the Company is a holding company, the Directors consider that income from non-current investments is more appropriately presented as part of operating profit. Dividend income is recognised when the right to receive payment is established.

Foreign currencies

Transactions in currencies other than the operation's functional currency are initially recorded in the functional currency at the rate of exchange prevailing on the dates of transactions. At each balance sheet date, the foreign currency monetary assets and liabilities are translated into the functional currency at the rates prevailing on the balance sheet date. All differences are taken to the income statement.

Current and deferred income taxes

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

All amounts in thousands

1. Accounting policies (Continued)

Financial instruments

Trade receivables are initially recognised at amortised cost as they are held within a business whose objective is to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

Critical accounting judgments and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year, are discussed below. The judgments used by management in the application of the Company's accounting policies in respect of these key areas of estimation are considered to be the most significant.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying value may exceed the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit, including suitable sales growth and terminal growth rates, and identify a suitable discount rate in order to calculate the present value of those cash flows.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended standards and interpretations during the year that are applicable to the Company. Adoption of these revised standards and interpretations did not have any significant effect on the consolidated financial statements of the Company.

The IASB has issued the following significant amendments to standards with a mandatory effective date on or after January 1, 2021:

International Financial Reporting Standards		Effective date
IAS 1	Presentation of financial statements (amendments)	No earlier than January 1, 2023
IAS 8	Accounting Estimates and Errors	No earlier than January 1, 2023
IAS 12	Income Taxes	No earlier than January 1, 2023
IAS 16	Property, plant and equipment (amendments)	No earlier than January 1, 2022
IFRS 3	Business combinations (amendments)	No earlier than January 1, 2022
IAS 37	Onerous Contracts (amendments)	No earlier than January 1, 2022

The Company has taken the exemption under FRS 101 paragraph 8(i) from the IAS 8 requirement to disclose details of a new IFRS which has been issued but is not yet effective and has not been applied by the Company.

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Income from non-current asset investments

	2021 £000	2020 £000
Dividend income received from group undertakings.....	244	432

3. Fees payable to auditors

The Company has taken the exemption from audit under section 479A of the Companies Act 2006, as such no fees have been paid to auditors for the years ended 31 December 2021 and 2020 respectively.

4. Staff costs

A Maskara was also a director of the ultimate parent company, Luxfer Holdings PLC, and fellow subsidiaries. Details regarding his emoluments are disclosed in the financial statements of those companies and those emoluments are borne by a fellow subsidiary.

S M D Webster was also a director of Luxfer Holdings PLC's fellow subsidiaries. Details regarding his emoluments are disclosed in the financial statements of Luxfer Group Limited; those emoluments being borne by that subsidiary.

The Directors do not believe that it is practicable to apportion these amounts between the services of these directors of the Company and their services as directors of the holding and fellow subsidiary companies; accordingly, no charge for their services is made to the Company.

The Company has no employees other than the Directors (2020: none). Accordingly, there have been no staff costs incurred by the Company during the years ended 31 December 2021 and 31 December 2020.

5. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group undertakings.....	8	6

6. Income tax charge

(a) Analysis of tax credit for the year

	2021 £000	2020 £000
Current income taxes:		
Withholding tax.....	12	22
Tax charge.....	12	22

The income tax credit relates to continuing activities.

(b) Factors affecting the tax credit for the year

The tax assessed for the year is lower (2020 – lower) as the standard rate of 19.00% (2020 – 19.00%) for corporation tax in the U.K.

The differences are explained below:

	2021 £000	2020 £000
Profit before taxation.....	238	433
Profit before taxation at 2021 standard rate of corporation tax in the U.K. of 19.00% (2020 – 19.00%)	45	82
Effects of:		
Income not taxable.....	(33)	(60)
Tax charge.....	12	22

NOTES TO THE FINANCIAL STATEMENTS (Continued)
All amounts in thousands

6. Income tax credit (Continued)

(c) Factors that may affect future taxation charge

The tax rate in the current year is the same as the prior year. There are no deferred tax assets or liabilities at the balance sheet date and therefore there are no factors that affect the future taxation charge.

7. Investments

	Subsidiary undertakings £000
Cost at 31 December 2021 and 2020	<u><u>1,792</u></u>

Details of the investments which the company holds are as follows:

Name of Company	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Luxfer Gas Cylinders (Shanghai) Co., Limited	People's Republic of China ¹	Ordinary shares	100%	Manufacturing

¹Registered address: No. 123, Lane 150, Pingbei Road, Minghang District, Shanghai, PRC 201109, China.

8. Trade and other receivables

	31 December 2021 £000	31 December 2020 £000
Amounts owed by group undertakings.....	<u><u>664</u></u>	<u><u>425</u></u>

Amounts owed by group undertakings and ultimate parent undertaking are unsecured and repayable on demand.

9. Cash and cash equivalents

	31 December 2021 £000	31 December 2020 £000
Cash at bank and in hand	<u><u>—</u></u>	<u><u>1</u></u>

LUXFER GAS CYLINDERS CHINA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

All amounts in thousands

10. Called up share capital

	31 December 2021 No.	31 December 2020 No.	31 December 2021 £000	31 December 2020 £000
Authorised:				
Ordinary shares of £1 each.....	<u>1,795,958</u>	<u>1,795,958</u>	<u>1,796</u>	<u>1,796</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each.....	<u>1,795,958</u>	<u>1,795,958</u>	<u>1,796</u>	<u>1,796</u>

11. Related party transactions

The Company is a wholly owned subsidiary of Luxfer Holdings PLC and has taken advantage of the exemption under FRS 101 not to disclose transactions with other group companies.

Other than emoluments disclosed in Note 4 there were no related party transactions with Directors.

12. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Luxfer Holdings PLC which is registered in England and Wales. The company is included in the consolidated financial statements of Luxfer Holdings PLC which is the smallest and largest group in which the company is consolidated. Copies of Luxfer Holdings PLC's financial statements may be obtained from the Company Secretary, Lumns Lane, Manchester, M27 8LN.

The immediate parent undertaking is Luxfer Overseas Holdings Limited, which is registered in England and Wales and copies of its financial statements are available from the above address.