A-Gas International Investments Limited

Directors' report and financial statements

Registered number 06036732

31 December 2009

Contents

Company information

Directors
J Rutley (Chairman)
AJ Ambrose
RO Buissinne
SA Fairman
JP Masters
WM Crossan (Non-executive)
PM Horsley (Non-executive)

Secretary
R Best

Auditors
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Bankers
Barclays Bank PLC
40 Corn Street
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BS1 1HQ

Solicitors
Burges Salmon
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Narrow Quay
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Clifton Heights
Triangle West
Bristol
BS8 1EJ

Chairman's statement

I am pleased to report that 2009 has been a somewhat transformational year for the Group as many of the initiatives and developments of the previous two years resulted in strong profit growth EBITDA rose by over 30% to just over £7 million pounds driven by excellent trading performances from all divisions and in particular a rapid increase in the growth of our Environmental Services (ES) business in the UK We plan to continue investment in this area to both further develop our leading edge technology in Refrigerant Gas separation and recovery and to expand our ES business outside of the UK

The achievement of these excellent results against a background of continued global economic downturn and resulting uncertainty is particularly pleasing and reinforces the strength of the Group's business model and the value which we bring to our key global partners, both suppliers and customers Key and critical to the delivery of the 2009 results has been the strength of the Group's management and staff around the world and the continued high standards of performance at the companies operational locations We continue to invest in these facilities and to further strengthen our personnel resources in order to facilitate further rapid growth

Whilst the global economic outlook remains uncertain we are confident that our business will perform strongly in 2010 and in particular that the significant expansion of our ES capacity in the UK planned to come on stream in the first half together with the expansion of this business unit into continental Europe and Australia will continue to drive profit growth in the coming year and beyond

John Rutley
Executive Chairman
29 September 2010

Directors' report

The directors present their report and financial statements for the year to 31 December 2009

Principal activity

Since acquiring the entire share capital of A-Gas Investments Limited on 15 February 2007, the company has been the ultimate holding company of the A-Gas group

The principal activity of the group is the repackaging, blending, distribution and reclamation of specialty gases and chemicals

Review of the business and future developments

The group enjoyed another successful year of trading, consolidating its position as the leading independent supplier of refrigerants to the UK, South African and Australian markets, and significantly expanding its UK environmental services business of recovery and reclamation of used refrigerants It also has trading offices in Singapore, USA and Mexico and investments and joint ventures in China and Thailand

The group's financial and other key performance indicators during the year to 31 December 2009 were as follows

	2009 £000	2008 £000
Turnover	**41,889**	35,039
EBITDA before one off costs	**7,013**	5,369
Depreciation	**(1,387)**	(1,321)
EBITA before one off costs	**5,626**	4,048
One off costs	**-**	(647)
Amortisation	**(1,413)**	(1,461)
Operating profit	**4,213**	1,940
Shareholders' deficit	**(1,224)**	(1,487)
Shareholder loans	**18,957**	18,943
Total shareholder capital	**17,733**	17,456
Current assets as percentage of current liabilities	**133%**	129%
Debt (excluding shareholder loss) as percentage of total shareholder capital	**67%**	74%

The group is continuing to diversify its trading activities into new territories and adjacent product markets by a combination of organic growth, joint venture and acquisition In the short to medium term A-Gas' growth strategy focuses on the following three areas

- Sale of existing products into existing markets e g refrigerants and environmental services in the UK, Australia and South Africa including rationalisation opportunities,
- Sale of existing products into new markets e g refrigerants, blowing agents and solvents into the Americas and Asia/China, and environmental services in EU, and
- Sale of new products and services into existing markets, e g niche market industrial gases and specialty chemicals in the UK, Australia and South Africa

The company will continue to act as the ultimate parent company for the A-Gas group for the foreseeable future

Directors' report *(continued)*

Results and dividends

A loss for the year, after taxation, amounted to £954,000 after unrealised exchange losses of £1,117,000 arising from the translation of foreign currency loans to year end exchange rates *(2008 £746,000 after one off costs of £647,000 relating to the impairment to the Group's investment in Solpac Chemicals Limited*, see note 4)

No dividends were paid during the year

Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as legislative and exposure to price, credit, liquidity and cash flow risk

Legislative risk

Demand for A-Gas products is driven by changes in the regulatory environment Indeed, A-Gas's historic growth has come from successfully pre-empting regulatory developments, making strategic investments and developing the product range ahead of regulation

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 CO_2) which are encompassed in the Kyoto Protocol USA, however, is not a signatory to this protocol

In addition, there are various regulations governing the packaging used to distribute these products, with disposable cylinders no longer permitted in the EU and Australia

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

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 Details of the group's debtors are given in note 14

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 revolving three month forward cash flow forecasts

Directors' report *(continued)*

Directors of the company

The directors who served during the year were
J Rutley
AJ Ambrose
RO Buissinne
SA Fairman
JP Masters
WM Crossan
PM Horsley

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 and charitable contributions

During the period the group made charitable donations totalling £5,000 *(2008 £3,000)* to local charities and no political contributions

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 of the job Opportunities are available to disabled employees for training, career development and promotion

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

Fixed assets

In the opinion of the Directors, the market value of land on an existing use basis, is not significantly different to book value

Creditor payment policy

The Group's policy is to use standard payment terms, payment being generally 30 or 60 days after month end of invoice date

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 auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Directors' report *(continued)*

Auditors

During the year Ernst & Young LLP resigned as auditors and KPMG LLP were appointed

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

By order of the board

JP Masters
Director
29 September 2010

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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG

KPMG LLP

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditors' report to the members of A-Gas International Investments Limited

We have audited the financial statements of A-Gas International Investments Limited for the year ended 31 December 2009 set out on pages 10 to 35 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities 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 Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of A-Gas International Investments Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A. C. Antonius

AC Antonius (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

29 September 2010

Group Profit and Loss Account

for the year ended 31 December 2009

	Note		2009 £000		2008 £000
Turnover group and share of joint ventures			**42,167**		35,420
Less share of joint ventures' turnover			**(278)**		(381)
Group turnover	*2*		**41,889**		35,039
Cost of sales			**(29,863)**		(24,494)
Gross profit			**12,026**		10,545
Administrative expenses	*4*		**(7,813)**		(8,605)
Group operating profit	*3*		**4,213**		1,940
Share of operating profit/(loss) in joint venture			**8**		(3)
Net exchange (losses)/gains	*8*	**(1,780)**		679	
Other interest payable and similar charge	*8*	**(2,491)**		(2,726)	
Interest payable and similar charges	*8*		**(4,271)**		(2,047)
Share of joint ventures interest			**(1)**		(40)
Loss on ordinary activities before taxation			**(51)**		(150)
Tax on loss on ordinary activities	*9*		**(903)**		(596)
Loss for the financial year			**(954)**		(746)

All results derive from continuing activities

Group Statement of Total Recognised Gains and Losses

for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Retained loss for the year		**(954)**	(746)
Exchange difference on retranslation of net assets of subsidiaries		**1,155**	6
Exchange difference on retranslation of investments		**55**	18
Total recognised gains and losses relating to the year	*22*	**256**	(722)

Group Balance Sheet
at 31 December 2009

	Note	2009 £000	2009 £000	2008 £000	2008 £000
Fixed assets					
Intangible assets	10		17,601		18,909
Tangible assets	11		9,408		8,832
Investments	12		178		178
Investment in joint venture	12				
Share of gross assets		175		175	
Share of gross liabilities		(251)		(256)	
			(76)		(81)
			27,111		27,838
Current assets					
Stocks	13	5,466		5,176	
Debtors	14	10,868		9,337	
Cash at bank and in hand		1,558		1,661	
		17,892		16,174	
Creditors amounts falling due within one year	15	(13,432)		(12,551)	
Net current assets			4,460		3,623
Total assets less current liabilities			31,571		31,461
Creditors amounts falling due after more than one year	16		(32,409)		(32,475)
Provisions for liabilities and charges					
Deferred taxation	20		(386)		(473)
Net liabilities			(1,224)		(1,487)
Capital and reserves					
Share capital	22		507		500
Profit and loss account	22		(1,731)		(1,987)
Equity shareholders' deficit	22		(1,224)		(1,487)

These financial statements were approved by the board of directors on 29 September 2010 and were signed on its behalf by

JP Masters
Director

Company registered number 06036732

Company Balance Sheet
at 31 December 2009

	Note	2009 £000	2009 £000	2008 £000	2008 £000
Fixed assets					
Investments in subsidiaries	12		-		-
Current assets					
Debtors	14	551		1,143	
Cash at bank and in hand		195		-	
		746		1,143	
Creditors: amounts falling due within one year	15	(8)		(415)	
Net current assets			738		728
Total assets less current liabilities			738		728
Creditors amounts falling due after more than one year	16		(200)		(200)
Net assets			538		528
Capital and reserves					
Share capital	22		507		500
Profit and loss account	22		31		28
Equity shareholders' funds	22		538		528

These financial statements were approved by the board of directors on 29 September 2010 and were signed on its behalf by

JP Masters
Director

Group Cash Flow Statement
at 31 December 2009

	Note	2009 £000	2009 £000	2008 £000	2008 £000
Net cash inflow from operating activities	*23(a)*		**7,090**		4,599
Returns on investment and servicing of finance					
Interest paid		**(2,375)**		(2,658)	
Interest received		**22**		176	
Interest element of finance leases and hire purchase contracts		**(29)**		(47)	
			(2,382)		(2,529)
Taxation					
Corporation tax			**(1,029)**		(781)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		**(1,423)**		(1,485)	
Payments to acquire intangible fixed assets		**(18)**		(65)	
Receipts from sales of tangible fixed assets		**215**		295	
			(1,226)		(1,255)
Acquisitions and disposals					
Purchase of subsidiary undertaking		**-**		(300)	
Net cash acquired with subsidiary undertaking		**-**		5	
			-		(295)
Financing					
Issue of ordinary share capital		**7**		-	
Net movement in long term borrowings		**(926)**		(453)	
Capital element of finance lease rental payments		**(377)**		32	
			(1,296)		(421)
Increase/(decrease) in cash	*23(b)*		**1,157**		(682)

Group Cash Flow Statement *(continued)*
at 31 December 2009

Reconciliation of cash flow to movement in net debt

	Note	**2009** **£000**	2008 £000
Increase/(decrease) in cash		**1,157**	(682)
Cash inflow from increase in loans net of repayments	*23(b)*	**1,080**	518
Non-cash transactions	*23(b)*	**(1,225)**	(97)
Change in net debt from cash flows		**1,012**	(261)
Loans and finance leases acquired with subsidiary		**-**	(18)
Movement in net debt		**1,012**	(279)
Net debt at beginning of year	*23(b)*	**(31,933)**	(31,654)
Net debt at end of year	*23(b)*	**(30,921)**	(31,933)

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 3 to 6 The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the Directors' Report

The Group meets its capital expenditure program requirements by raising new long term debt The Group meets its day to day working capital requirements through a revolving bank credit facility of £2,700,000, which was renewed during the year for a further three year period until 31 December 2011 The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is able to operate within the level of its current facility

Accordingly, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and accounts

Basis of consolidation

The group financial statements consolidate the financial statements of A-Gas International Investments Limited and all its subsidiary undertakings drawn up to 31 December each year The company is exempt from the requirement to present its own profit and loss account under section 408 of the Companies Act 2006

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures In the group financial statements, joint venture entities are accounted for using the gross equity method

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises significant influence are treated as associates In the group financial statements, associates are accounted for using the equity method

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less amounts written off

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses Such costs include costs directly attributable to making the asset capable of operating as expected

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost

Notes *(continued)*

1 Accounting policies *(continued)*

Depreciation and amortisation

Depreciation is provided on all tangible and intangible fixed assets at monthly rates calculated to write off the cost of each asset over its expected useful life, as follows

Long leasehold land	-	over the lease term
Leasehold buildings	-	over the shorter of the lease term and 25 years
Plant and equipment	-	over 5 to 15 years
Office and vehicles	-	over 3 to 4 years
Goodwill	-	over 20 years
Patents and licences	-	over the life of the asset on a reducing balance basis
Trademark	-	over 5 years

The carrying values of tangible and intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured Risks and rewards are generally considered passed to the buyer at the time of delivery of the goods to the customers

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location Reclaimed stock is valued at the market cost price at the date it was reclaimed to Air-Conditioning and Refrigeration Institute (ARI) standards

Cylinder deposits and charges

Where applicable, deposits are required on delivery to customers of gases and chemicals in returnable cylinders Such deposits are refundable on return of cylinders in good condition within specific terms and conditions

Cylinders are included in fixed assets at cost Cylinders not returned by customers are treated as disposals of fixed assets and the deposits received are treated as the proceeds of disposal

Where deposits are not required on delivery, a charge is usually made in the event that the cylinder is not returned within an agreed period In this event, the charge is released to the credit of the profit and loss account over the remaining expected useful life of the cylinder, or in full on return of the cylinder

Notes *(continued)*

1 Accounting policies *(continued)*

Pensions

The group operates a number of defined contribution pension schemes Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes

Deferred tax

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a foreign currency contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

The financial statements of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date The exchange difference arising on the retranslation of the net investment in subsidiaries is taken directly to reserves All gains or losses on translation are taken to the profit and loss account

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

2 Turnover and segmental analysis

Turnover represents the sale of gases, chemicals and services which fall within the group's ordinary activities, stated net of value added tax

The directors have not included the segmental analysis required and have taken the exemption under the Statement of Standard Accounting Practice 25 (SSAP 25) as they are of the opinion that this would be seriously prejudicial to the interests of the group

Notes *(continued)*

3 Operating profit

This is stated after charging

		2009 £000	2008 £000
Auditors' remuneration	– group audit	**71**	89
	– company audit	**18**	4
Operating lease rentals	– land and buildings	**464**	369
	– plant and machinery	**42**	39
Depreciation of owned fixed assets		**1,210**	1,159
Depreciation of fixed assets held under finance leases and hire purchase contracts		**177**	162
Amortisation of intangible fixed assets		**1,413**	1,461
Profit on disposal of tangible fixed assets		**(160)**	(204)

4 Administration costs

Included within administration costs are the following one off costs

	2009 £000	2008 £000
Recognised in arriving at operating profit		
Impairment of investment	-	643
Impairment of intangibles	-	4
	-	647

The 2008 costs relates to the impairment in Solpac Chemicals Limited down to its net asset value

5 Profit attributable to the members of the holding company

The profit after taxation dealt with in the financial statements of the holding company for the year ended 31 December 2009 was £3,000 *(2008 £30,000)*

Notes *(continued)*

6 Directors' remuneration

	2009	2008
	£000	£000
Emoluments	**784**	765
Pension contributions paid to money purchase schemes	**36**	23
	820	788

The emoluments of the highest paid director were £225,000 *(2008 £243,000)* The pension contributions of the highest paid director were £Nil *(2008 £Nil)* Pension contributions were paid in respect of three *(2008 three)* directors during the period

7 Staff costs

	2009	2008
	£000	£000
Wages and salaries	**4,129**	3,579
Social security costs	**303**	284
Other pension costs	**249**	178
	4,681	4,041

The average number of directors and staff during the year was

	2009	2008
	No.	No
Sales and administration	**60**	54
Production and technical	**54**	48
	114	102

Notes *(continued)*

8 Interest payable and similar charges

Group	2009 £000	2008 £000
Bank loans and overdrafts	**582**	1,000
Other loans	**1,793**	1,572
Other interest and similar charges	**-**	86
Finance leases and hire purchase contracts	**29**	47
Amortisation of loan note issue costs	**109**	197
Interest received	**(22)**	(176)
Net exchange losses/(gains)	**1,780**	(679)
	4,271	2,047

9 Taxation

(a) Tax on profit on ordinary activities

An analysis of the tax charge in the period is as follows

	2009 £000	2008 £000
UK corporation tax		
Adjustments in respect of previous years	**-**	39
	-	39
Foreign tax	**1,072**	816
Total current tax (note 9 (b))	**1,072**	855
Deferred tax		
Credit for the year (note 20)	**(169)**	(259)
Tax charge for the year	**903**	596

Notes *(continued)*

9 Taxation *(continued)*

(b) Factors affecting the current tax charge

The tax charge for the period is higher than the standard rate of tax in the UK of 28% *(2008 28 5%)* The differences are reconciled below

	2009 £000	2008 £000
Loss on ordinary activities before tax	**(51)**	(150)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% *(2008 28 5%)*	**(14)**	(43)
Effects of		
Expenses not deductible for tax purposes	**407**	501
Amortisation not deductible for tax purposes	**373**	324
Short term timing differences	**3**	-
Higher tax on overseas earnings	**68**	37
Foreign tax and foreign tax credits	**(95)**	-
Prior year adjustment	**-**	39
Capital allowances in excess of depreciation	**156**	101
Unutilised losses carried forward	**174**	12
Utilisation of tax losses	**-**	(116)
Total current tax (note 9 (a))	**1,072**	855

Notes *(continued)*

10 Intangible fixed assets

	Goodwill	Patents and licences	Software and trademarks	Total
	£000	£000	£000	£000
Cost				
At 1 January 2009	20,654	1,149	100	21,903
Exchange adjustments	-	256	33	289
Additions	80	-	18	98
At 31 December 2009	20,734	1,405	151	22,290
Amortisation				
At 1 January 2009	2,103	809	82	2,994
Exchange adjustment	-	251	31	282
Charge for the year	1,138	254	21	1,413
At 31 December 2009	3,241	1,314	134	4,689
Net book value				
At 31 December 2009	**17,493**	**91**	**17**	**17,601**
At 31 December 2008	18,551	340	18	18,909

Goodwill additions relate to the final earn out for the acquisition of Chestech Limited during the year

Notes *(continued)*

11 Tangible fixed assets

	Leasehold land and property £000	Plant and equipment £000	Office and vehicles £000	Total £000
Cost				
At 1 January 2009	1,605	9,499	208	11,312
Exchange adjustment	7	1,121	51	1,179
Additions	14	1,364	45	1,423
Disposals	-	(160)	(19)	(179)
At 31 December 2009	1,626	11,824	285	13,735
Depreciation				
At 1 January 2009	164	2,234	82	2,480
Exchange adjustment	6	534	44	584
Provided during the year	78	1,252	57	1,387
Disposals	-	(106)	(18)	(124)
At 31 December 2009	248	3,914	165	4,327
Net book value				
At 31 December 2009	**1,378**	**7,910**	**120**	**9,408**
At 31 December 2008	1,441	7,265	126	8,832

Included in land and property is land at a cost of £520,000 *(2008 £520,000)* The lease expires in August 2140

The net book value of assets held under finance leases and hire purchase contracts was

	Plant and equipment £000	Office and vehicles £000	Total £000
At 31 December 2009	**1,110**	**-**	**1,110**
At 31 December 2008	1,280	7	1,287

Notes *(continued)*

12 Investments

Group	£000
Cost	
Joint venture (a)	(76)
Other fixed asset investment (b)	178
At 31 December 2009	102

(a) Joint ventures

Cost	
At 1 January 2009	(81)
Share of profit retained by joint venture	5
At 31 December 2009	**(76)**

Solpac Chemicals is treated as an investment since the directors do not believe they are in a position to exercise control over the entity

(b) Other fixed asset investments

Group	**Total £000**
Cost at 31 December 2008 and 31 December 2009	**178**

Company	**Total £000**
Cost at 31 December 2008 and 31 December 2009	**-**

Notes *(continued)*

12 Investments *(continued)*

Details of the investments in which the group and the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	*Proportion of voting rights and shares held*	*Country of registration*	*Nature of business*
Subsidiary undertaking			
A-Gas Investments Limited	100%	England & Wales	Holding company
A-Gas International Holdings Limited[1]	100%	England & Wales	Holding company
A-Gas International Limited[1]	100%	England & Wales	Holding company
A-Gas (UK) Limited[1]	100%	England & Wales	Chemicals and gases
A-Gas (Australia) Pty Limited[1]	100%	Australia	Chemicals and gases
A-Gas (South Africa) (Pty) Limited[1]	100%	South Africa	Chemicals and gases
A-Gas (SEA) Pte Limited[1]	100%	Singapore	Chemicals and gases
Refrigerant Products Limited[1]	100%	England & Wales	Non-trading
Chestech Limited[1]	100%	England & Wales	Electronic materials
Beer-Gas Supply Limited[1]	100%	England & Wales	Non-trading
PolyUreSol Limited[1]	100%	England & Wales	Non-trading
A-Gas Americas Inc [1]	100%	USA	Chemicals and gases
Comercializadora Industrial JFD, S A de C V (CIJSA) [1]	100%	Mexico	Chemicals and gases
Joint venture undertakings			
A-Gas Solpac Asia Pacific Pte Limited[1]	51%	Singapore	Chemicals and gases
A-Gas Solpac Holdings (Thailand) Limited[1]	51%	Thailand	Holding company
A-Gas Solpac Thailand Limited[1]	51%	Thailand	Chemicals and gases
Investments			
Solpac AG Asia Pacific Pte Limited[1]	33%	Singapore	Investment
Solpac Chemicals Limited[1]	33%	Hong Kong	Investment

Note 1 – shares held by subsidiary company

Notes *(continued)*

13 Stocks

	Group		Company	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Finished goods and goods for resale	**5,466**	5,176	**-**	-

14 Debtors

	Group		Company	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Trade debtors	**10,139**	8,665	**-**	-
Other debtors	**98**	103	**-**	-
Prepayments	**410**	330	**-**	-
Loan to joint venture	**221**	239	**-**	-
Loan notes to subsidiary	**-**	-	**326**	326
Amounts due from group entities	**-**	-	**225**	817
	10,868	9,337	**551**	1,143

Company

Loan notes to a subsidiary are unsecured Series B loan notes issued to A-Gas Investments Limited They bear interest at 8% per annum and are wholly repayable on 31 December 2015

Group

Included within debtors is an amount of £221,000 *(2008 £239,000)* owed by joint venture company, A-Gas Solpac Asia Pacific Pte Limited (Singapore) A-Gas International Limited loaned Singapore $501,770 to this entity in 2005 The loan is interest free, unsecured and repayable on demand

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Loans – current (note 17)	**1,536**	538	**-**	-
Bank overdrafts	**1,477**	2,737	**-**	407
Obligations under finance leases and hire purchase contracts (note 18)	**243**	378	**-**	-
Trade creditors	**4,965**	4,928	**-**	-
Taxation and social security	**320**	306	**-**	-
VAT and payroll taxes	**779**	541	**-**	-
Other creditors	**1,168**	776	**-**	-
Accruals	**2,944**	2,347	**8**	8
	13,432	12,551	**8**	415

Any overdraft drawn down is secured by charges on the company's and other group companies' assets

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Bank and other loans (note 17)	**29,120**	29,596	**200**	200
Obligations under finance leases and hire purchase contracts (note 18)	**103**	345	**-**	-
Cylinder deposits and charges (note 19)	**3,186**	2,534	**-**	-
	32,409	32,475	**200**	200

Notes *(continued)*

17 Loans

	Group		Company	
	2009	2008	**2009**	2008
Not wholly repayable within five years	**£000**	£000	**£000**	£000
Unsecured series 'A1' loan notes	**551**	551	-	-
Unsecured series 'A2' loan notes	**3,201**	3,187	-	-
Secured series 'C' loan notes	**7,005**	7,005	-	-
Preference shares	**200**	200	**200**	200
	10,957	10,943	**200**	200
Secured shareholder loan	**8,000**	8,000	-	-
United Kingdom mortgage loan	**1,600**	1,733	-	-
	20,557	20,676	**200**	200
Wholly payable within five years				
United Kingdom term loan	**6,047**	5,500	-	-
United Kingdom bank loan	**4,500**	4,500	-	-
South African bank loan	-	15	-	-
	31,104	30,691	**200**	200
Less unamortised issue costs	**(448)**	(557)	-	-
	30,656	30,134	**200**	200
Amounts repayable				
In one year or less or on demand	**1,645**	647	-	-
In more than one year but not more than two years	**2,250**	1,384	-	-
In more than two years but not more than five years	**9,818**	10,149	-	-
In more than five years	**17,391**	18,511	**200**	200
	31,104	30,691	**200**	200
Less unamortised issue costs	**(448)**	(557)	-	-
	30,656	30,134	**200**	200
Included in				
Creditors amounts falling due within one year (note 15)	**1,536**	538	-	-
Creditors amounts falling due after one year (note 16)	**29,120**	29,596	**200**	200
	30,656	30,134	**200**	200

Notes *(continued)*

17 Loans *(continued)*

The net movement in loans during the year was

	Group £000	Company £000
At 1 January 2009	30,134	200
Advances	14	-
Repayments	(718)	-
Amortisation of issue costs	109	-
Unrealised foreign exchange adjustments	1,117	-
At 31 December 2009	**30,656**	**200**

The unsecured Series A1 and Series A2 fixed rate loan notes 2015 were created under instruments dated 16 February 2007 The loan notes are unsecured, bearing interest at a rate of 8% per annum and are repayable on 31 December 2015

The preference shares were issued to Close Brothers Growth Capital Limited on the 16 February 2007 totalling £200,000 The preference shares bear interest at 8% per annum and are redeemable on 31 December 2015

The following loans are secured by charges on the Company's and other group companies' assets (see note 27)

The secured Series C fixed rate loan notes 2015 were created under an instrument dated 16 February 2007 The loan notes bear interest at 8% per annum and are repayable on 31 December 2015

The shareholder loan was advanced by Close Brothers Growth Capital Limited on the 16 February 2007 totaling £8,000,000 The loan bears interest at 8% per annum and is repayable in instalments commencing 30 June 2012

The United Kingdom mortgage loan was advanced by Barclays on 16 February 2007, totalling £2,000,000 The loan bears interest at the rate of 1 75% per annum over LIBOR and is repayable in instalments commencing 30 June 2007

The United Kingdom term loan was advanced by Barclays on 16 February 2007, totalling £6,000,000 The loan bears interest at the rate of 1 75% per annum over LIBOR and is repayable in bi-annual instalments commencing 30 June 2007 The outstanding portion of this loan at 31 March 2009 was converted into A$11,988,900

The United Kingdom bank loan was advanced by Barclays on 17 March 2008, totalling £4,500,000 The loan bears interest at 2 00% per annum over LIBOR and is repayable in full on the 31 December 2012

The company also has a revolving credit facility of £2,700,000 of which £nil was drawn down at the year end

Notes *(continued)*

18 Obligations under finance leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts

Group	2009 £000	2008 £000
Amounts payable		
Within one year	**276**	426
In one to two years	**117**	392
	393	818
Less finance charges allocated to future periods	**(47)**	(95)
	346	723
Disclosed as		
Due within one year (note 15)	**243**	378
Due after more than one year (note 16)	**103**	345
	346	723
The net movement during the year was	**£000**	£000
At 1 January	**723**	673
On acquisition of subsidiary	**-**	18
New leases	**-**	462
Capital repayments	**(377)**	(430)
At 31 December	**346**	723

The company had no obligations under finance leases or hire purchase contracts

19 Cylinder deposits and charges

Group	Deposits £000	Charges £000	Total £000
At 31 December 2009			
Overdue return charges	-	1,777	1,777
Deposits refundable	1,273	491	1,764
Deposits receivable	(132)	(223)	(355)
Total	**1,141**	**2,045**	**3,186**

Notes *(continued)*

19 Cylinder deposits and charges *(continued)*

The net movement during the year was

Group	Deposits £000	Charges £000	Total £000
At 1 January 2009	769	1,765	2,534
Exchange adjustment	113	42	155
Overdue return charges	-	467	467
Deposits/charges refundable	(288)	(2,708)	(2,996)
Deposits/charges receivable	547	2,720	3,267
Non refundable deposits transferred to the profit and loss account	-	(241)	(241)
At 31 December 2009 (note 16)	**1,141**	**2,045**	**3,186**

Company

The company had no cylinder deposits or charges during the year or at the year end

20 Deferred taxation

The amounts provided are

	Group		Company	
	2009 £000	2008 £000	**2009 £000**	2008 £000
Accelerated capital allowances	**521**	544	-	-
Other timing differences	**(135)**	(71)	-	-
	386	473	-	-

The net movement was

	Group	
	2009 £000	2008 £000
At 1 January	473	707
Credit for the period (note 9)	(169)	(259)
Exchange adjustment	82	25
At 31 December	**386**	473

Notes *(continued)*

20 Deferred taxation *(continued)*

The group has unrelieved losses of £241,000 *(2008 £241,000)* that are available for offset against future taxable profits Deferred tax assets in respect of these items have not been recognised since it is uncertain whether there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

21 Share capital

Group	2009 £000	2008 £000
Authorised		
3,150,000 *(2008 3,000,000)* ordinary shares of 10p each	**315**	300
1,700,000 'A' ordinary shares of 10p each	**170**	170
30,000 'B' ordinary shares of 10p each	**30**	30
500,000 deferred shares of 10p each	**50**	50
	565	550
Allotted, called up and fully paid		
3,069,640 *(2008 3,000,000)* ordinary shares of 10p each	**307**	300
1,699,990 'A' ordinary shares of 10p each	**170**	170
300,000 'B' ordinary shares of 10p each	**30**	30
	507	500

All classes of ordinary share rank pari passu in terms of voting rights but have precise rights in relation to the payment of dividends and on a return of capital which are defined in the company's Articles of Association

Company

The company was incorporated with an authorised share capital of 1,000 ordinary shares of £1 each, only one of which was allotted, called up and fully paid at par at this time

Notes *(continued)*

22 Reconciliation of shareholders' funds and movements on reserves

Group	Share capital £000	Retained earnings £000	Equity shareholders' funds £000
At 1 January 2009	500	(1,987)	(1,487)
Movement	7	256	263
At 31 December 2009	**507**	**(1,731)**	**(1,224)**

Company	Share capital £000	Retained earnings £000	Equity shareholders' funds £000
At 1 January 2009	500	28	528
Movement	7	3	10
At 31 December 2009	**507**	**31**	**538**

23 Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2009 £000	2008 £000
Operating profit	**4,213**	1,937
Amortisation (note 10)	**1,413**	1,465
Depreciation (note 11)	**1,387**	1,321
Impairment of investment (note 4)	**-**	643
Share of joint venture and associate profit	**(5)**	43
Decrease/(increase) in stocks	**220**	(1,789)
Increase in debtors and prepayments	**(780)**	(460)
Increase in creditors	**802**	1,643
Profit on sale of fixed assets	**(160)**	(204)
Net cash inflow from operating activities	**7,090**	4,599

Notes *(continued)*

23 Notes to the statement of cash flows *(continued)*

(b) Analysis of net debt

	1 January 2009	Cash flow	Non cash movements	31 December 2009
	£000	£000	£000	£000
Cash at bank and in hand	1,661	(103)	-	**1,558**
Bank overdrafts	(2,737)	1,260	-	**(1,477)**
Cash	(1,076)	1,157	-	**81**
Loans (exc borrowing costs)	(30,134)	704	(1,226)	**(30,656)**
Finance lease and hire purchase contracts	(723)	377	-	**(346)**
	(31,933)	2,238	(1,226)	**(30,921)**

Non cash movements

The United Kingdom term loan was advanced by Barclays on 16 February 2007, totalling £6,000,000 The outstanding portion of this loan at 31 March 2009 was converted into A$11,988,900 and as a result £1,117,000 of foreign exchange adjustments have arisen Also included in non-cash movements is £109,000 of amortisation of issue costs

24 Pension commitments

The group operates a number of defined contribution schemes which are held separately from the company No contributions were outstanding at the period end

25 Operating commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases

Group	**Land and buildings**		**Other**	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Operating leases which expire				
Within one year	**106**	9	**69**	-
In two to five years	**42**	139	**15**	68
After five years	**308**	265	**-**	-
	456	413	**84**	68

Company

The company did not have any operating lease commitments *(2008 £Nil)*

Notes *(continued)*

26 Capital commitments

Neither the group nor company had any capital commitments at the balance sheet date *(2008 £Nil)*

27 Contingent liability

The group has fixed and floating charges under a charge dated 16 February 2007 in respect of loans and bank borrowings of the group The total amount of loans guaranteed at 31 December 2009 was £27,740,000 *(2008 £28,917,000)*

The current group bank overdraft facility is £1,600,000 *(2008 £1,750,000)* Any overdraft drawn down is secured by charges on the company's and other group companies' assets

28 Related party transactions

The company has taken advantage of the exemption given by FRS 8 (revised) 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