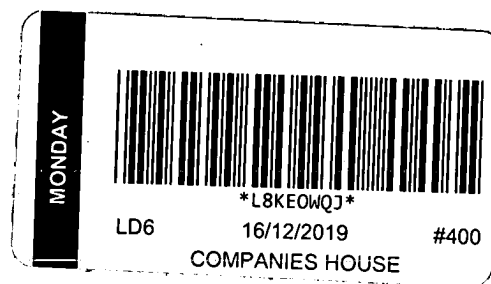


Registration number: 1175461

# Air Products Llanwern Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2019



# **Air Products Llanwern Limited**

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## **Air Products Llanwern Limited**

### **Directors' Report for the Year Ended 30 September 2019**

The directors present their report and the financial statements for the year ended 30 September 2019.

#### **Principal activities**

The principal activity of the company continues to be the sale of industrial gases.

#### **Business review and results**

Air Products Llanwern Limited ('APLLAN') is a joint venture company owned by Air Products PLC and Tata Steel UK Limited for the purpose of supplying nitrogen and oxygen to the steel facility of Tata Steel UK Limited at Llanwern. The joint venture also supplies gaseous nitrogen for other activities.

On 21st March 2016, extensions to the original 10-year nitrogen and oxygen supply agreements between APLLAN and Tata Steel UK Limited and between APLLAN and Air Products BR Limited were signed. The new agreements will run to 30th of November 2022.

The air separation unit ('ASU') is designed to produce up to 400 tonnes per day ('tpd') of gaseous nitrogen and up to 30 tpd of gaseous oxygen, of which 15 tpd is compressed for supply to other Tata Steel UK Limited operations. The plant has been operating successfully throughout the year.

Following satisfactory trading results for the year the Directors are optimistic about the future operation of the Company. The profit for the financial year was £63,000 (2018: £375,00).

#### **Principal risks and uncertainties**

Competitive pressure in the UK is a continuing risk for the Company. To manage this risk, the Company strives to provide value-added products to its customers and tries to maintain strong relationships with both customers and suppliers. The Company's business is affected by fluctuations in the price of key raw materials, although purchasing policies, contracts and practices seek to mitigate, where practical, such risks.

In relation to the United Kingdom's (UK) forthcoming exit from the European Union ("Brexit"), the directors feel that risks and uncertainties related to the process and its potential impact on the wider UK economy will have no significant impact on the operations or performance of Air Products Llanwern Ltd.

#### **Environment**

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

#### **Dividends**

The directors have not proposed a final ordinary dividend in respect of the current financial year. During the year the Company paid a dividend of £600,000 in respect of the previous year (2018: £400,000).

#### **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 as it is eligible to prepare its financial statements in accordance with the small companies' regime if it were not a member of an ineligible group.

## **Air Products Llanwern Limited**

### **Directors' Report for the Year Ended 30 September 2019**

#### **Directors of the company**

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

C Phillips

M Patel

M Wilson

P McCusker

S Maynard

R Norris

#### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

The person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

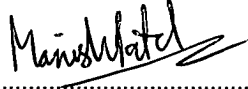
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

**Air Products Llanwern Limited**

**Directors' Report for the Year Ended 30 September 2019**

Approved by the Board on 6<sup>th</sup> December 2019 and signed on its behalf by:



.....  
M Patel  
Director

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

## **Air Products Llanwern 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 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 LLANWERN LIMITED**

### **Opinion**

In our opinion the financial statements of Air Products Llanwern Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as 30th September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including [Financial Reporting Standard 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

We have audited the financial statements which comprise:

- the profit and loss account
- the balance sheet
- the statement of changes in equity
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including [Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"] (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR PRODUCTS LLANWERN LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

We have nothing to report in respect of these matters.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR PRODUCTS LLANWERN LIMITED**

### **Matters on which we are required to report by exception**

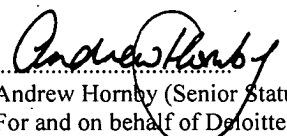
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

  
Andrew Hornby (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor  
Abbots House  
Abbey Street  
Reading  
RG1 3BD

9<sup>th</sup> December 2019

## Air Products Llanwern Limited

### Profit and Loss Account for the Year Ended 30 September 2019

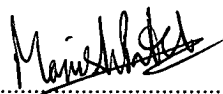
|  | Note | 2019<br>£ 000  | 2018<br>£ 000  |
|--|------|----------------|----------------|
| Turnover                                     | 2    | 4,462          | 3,820          |
| Cost of sales                                |      | <u>(3,814)</u> | <u>(2,786)</u> |
| Gross profit                                 |      | 648            | 1,034          |
| Administrative expenses                      |      | <u>(592)</u>   | <u>(595)</u>   |
| Operating profit                             |      | 56             | 439            |
| Other interest receivable and similar income | 7    | 21             | 25             |
| Interest payable and similar expenses        | 5    | <u>-</u>       | <u>(2)</u>     |
| Profit before tax                            |      | 77             | 462            |
| Taxation                                     | 8    | <u>(14)</u>    | <u>(87)</u>    |
| Profit for the financial year                |      | <u>63</u>      | <u>375</u>     |

The turnover and operating profit for the current and prior years arose from continuing operations. There are no recognised gains or losses in the current or prior year other than those charged to the profit and loss account and therefore no statement of comprehensive income has been presented.

**Air Products Llanwern Limited**  
**(Registration number: 1175461)**  
**Balance Sheet as at 30 September 2019**

|  | Note | 2019<br>£ 000  | 2018<br>£ 000  |
|--|------|----------------|----------------|
| <b>Current assets</b>  |      |                |                |
| Stocks   | 10   | 102            | 87             |
| Debtors (including £397,000 (2018: £548,000) due after one year) | 11   | 2,083          | 2,491          |
|  |      | <u>2,185</u>   | <u>2,578</u>   |
| <b>Current liabilities</b>                                       |      |                |                |
| Creditors: Amounts falling due within one year                   | 12   | <u>(1,572)</u> | <u>(1,428)</u> |
| <b>Net current assets</b>  |      | <u>613</u>     | <u>1,150</u>   |
| <b>Net assets</b>  |      | <u>613</u>     | <u>1,150</u>   |
| <b>Capital and reserves</b>                                      |      |                |                |
| Called up share capital  | 13   | 100            | 100            |
| Profit and loss account  |      | <u>513</u>     | <u>1,050</u>   |
| <b>Total equity</b>  |      | <u>613</u>     | <u>1,150</u>   |

Approved and authorised by the Board on 6<sup>th</sup> December 2019 and signed on its behalf by:



M Patel  
Director

The notes on pages 12 to 18 form an integral part of these financial statements.

# Air Products Llanwern Limited

## Statement of Cash Flows for the Year Ended 30 September 2019

|   | Note | 2019<br>£ 000 | 2018<br>£ 000 |
|---|------|---------------|---------------|
| <b>Cash flows from operating activities</b>           |      |               |               |
| Profit for the year                                   |      | 63            | 375           |
| <b>Adjustments to cash flows from non-cash items:</b> |      |               |               |
| Interest receivable                                   |      | (19)          | (25)          |
|   |      | 44            | 350           |
| <b>Adjustments for:</b>                               |      |               |               |
| (Increase)/decrease in stocks                         | 10   | (15)          | 30            |
| Decrease in debtors                                   | 11   | 408           | 711           |
| Increase/(decrease) in creditors                      | 12   | 144           | (716)         |
| Net cash flow from operating activities               |      | 581           | 375           |
| <b>Cash flows from investing activities</b>           |      |               |               |
| Interest received                                     | 7    | 19            | 25            |
| <b>Cash flows from financing activities</b>           |      |               |               |
| Dividends paid  | 9    | (600)         | (400)         |
| Net increase/(decrease) in cash and cash equivalents  |      | -             | -             |
| Cash and cash equivalents at 1 October                |      | -             | -             |
| Cash and cash equivalents at 30 September             |      | -             | -             |

The notes on pages 12 to 18 form an integral part of these financial statements.

# Air Products Llanwern Limited

## Statement of Changes in Equity for the Year Ended 30 September 2019

|                            | Share capital<br>£ 000 | Profit and loss<br>account<br>£ 000 | Total<br>£ 000 |
|----------------------------|------------------------|-------------------------------------|----------------|
| At 1 October 2017          | 100                    | 1,075                               | 1,175          |
|                            | -                      | -                                   | -              |
| Profit for the year        | -                      | 375                                 | 375            |
| Total comprehensive income | -                      | 375                                 | 375            |
| Dividends                  | -                      | (400)                               | (400)          |
| At 30 September 2018       | 100                    | 1,050                               | 1,150          |
|                            | Share capital<br>£ 000 | Profit and loss<br>account<br>£ 000 | Total<br>£ 000 |
| At 1 October 2018          | 100                    | 1,050                               | 1,150          |
| Profit for the year        | -                      | 63                                  | 63             |
| Total comprehensive income | -                      | 63                                  | 63             |
| Dividends                  | -                      | (600)                               | (600)          |
| At 30 September 2019       | 100                    | 513                                 | 613            |

The notes on pages 12 to 18 form an integral part of these financial statements.

## **Air Products Llanwern Limited**

### **1 Accounting policies**

Air Products Llanwern Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

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. All amounts in the financial statements have been rounded to the nearest £1,000.

The Financial Statements have been prepared on the going concern basis, as the nitrogen and oxygen supply agreement between Air Products Llanwern and Tata Steel UK Limited was renewed in 2016. Please refer to the Directors’ report on page 1 in relation to this.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### **Taxation**

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

#### **Turnover**

Turnover represents the amounts (excluding value added tax, credit notes and returns) derived from the provision of goods and services to customers. Sales of industrial gases are recorded at the time of shipment.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Air Products Llanwern Limited

### Financial instruments issued by the Company

#### *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.

### Basic financial instruments

#### *Trade and other debtors / creditors*

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

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## 2 Analysis of turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are solely attributable to the sale of industrial gases in the UK.

## 3 Notes to the profit and loss account

#### *Profit on ordinary activities before taxation is stated after charging*

|                        | 2019<br>£ 000 | 2018<br>£ 000 |
|------------------------|---------------|---------------|
| Auditor's remuneration | 10            | 9             |

## Air Products Llanwern Limited

### 4 Remuneration of directors

No director received any emoluments in connection with their services as a director of the company during the year (2018: £nil).

### 5 Interest payable and similar expenses

|   | 2019<br>£ 000 | 2018<br>£ 000 |
|---|---------------|---------------|
| Interest payable on loans from group undertakings | -             | (2)           |

### 6 Staff costs

No salaries or wages have been paid to employees, including the directors, during the year as staff costs are borne by Air Products PLC. AP Llanwern Ltd does not have any employees.

### 7 Other interest receivable and similar income

|                             | 2019<br>£ 000 | 2018<br>£ 000 |
|-----------------------------|---------------|---------------|
| Unwinding of loan discount  | 19            | 25            |
| Interest to related company | 2             | -             |
|                             | <u>21</u>     | <u>25</u>     |

### 8 Taxation

*Analysis of charge in period:*

|                                      | 2019<br>£ 000 | 2018<br>£ 000 |
|--------------------------------------|---------------|---------------|
| <b><i>UK corporation tax</i></b>     |               |               |
| Current tax on income for the period | 9             | 80            |
| <b><i>Deferred taxation</i></b>      |               |               |
| Other timing differences             | 5             | 7             |
| Tax on profit on ordinary activities | <u>14</u>     | <u>87</u>     |

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:



## Air Products Llanwern Limited

|   | 2019<br>£ 000 | 2018<br>£ 000 |
|---|---------------|---------------|
| Profit before tax   | 77            | 462           |
| Corporation tax at standard rate  | 15            | 88            |
| Effect of expense not deductible in determining taxable profit (tax loss) | (1)           | (1)           |
| Decrease in UK and foreign current tax from adjustment for prior periods  | (5)           | (7)           |
| Total tax charge  | 9             | 80            |

The company is utilising consortium tax relief from its shareholders to reduce the corporation tax liability for the year to £nil (2018: £nil). The shareholders are owed £9,000 (2018: £80,000) for the use of this consortium tax relief for the year.

### Deferred tax

Deferred tax assets and liabilities

|   | Asset<br>£ 000 |
|---|----------------|
| <b>2019</b>   |                |
| At beginning of year                                | 19             |
| Charge to the profit and loss for the year (note 7) | (5)            |
|   | 14             |
|   | Asset<br>£ 000 |
| <b>2018</b>   |                |
| At beginning of year                                | 26             |
| Charge to the profit and loss for the year (note 7) | (7)            |
|   | 19             |

## 9 Dividends

### Final dividends paid

|  | 2019<br>£ 000 | 2018<br>£ 000 |
|--|---------------|---------------|
| Final dividend of £6.00 (2018 - £4.00) per each ordinary share | 300           | 200           |
| Final dividend of £6.00 (2018 - £4.00) per each ordinary share | 300           | 200           |
|  | 600           | 400           |

## 10 Stocks

|                                     | 2019<br>£ 000 | 2018<br>£ 000 |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | 102           | 87            |

## Air Products Llanwern Limited

### 11 Debtors

|  | Note | 2019<br>£ 000 | 2018<br>£ 000 |
|--|------|---------------|---------------|
| Trade debtors  |      | 470           | 607           |
| Amounts owed by related parties (including £397,000 (2018: £548,000) due after one year) | 14   | 1,586         | 1,784         |
| Other debtors  |      | 13            | 81            |
| Net deferred tax assets (note 7)   |      | 14            | 19            |
| Total current trade and other debtors  |      | <u>2,083</u>  | <u>2,491</u>  |

### 12 Creditors

|                                 | Note | 2019<br>£ 000 | 2018<br>£ 000 |
|---------------------------------|------|---------------|---------------|
| <b>Due within one year</b>      |      |               |               |
| Amounts owed to related company | 14   | 990           | 761           |
| Accruals and deferred income    |      | 582           | 667           |
|                                 |      | <u>1,572</u>  | <u>1,428</u>  |

### 13 Share capital

#### Allotted, called up and fully paid shares

|                     | 2019       |            | 2018       |            |
|---------------------|------------|------------|------------|------------|
|                     | No. 000    | £ 000      | No. 000    | £ 000      |
| Equity A of £1 each | 50         | 50         | 50         | 50         |
| Equity B of £1 each | 50         | 50         | 50         | 50         |
|                     | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

## **Air Products Llanwern Limited**

### **14 Related party transactions**

During the year the company made sales of industrial gases to TATA Steel UK Limited of £3,299,000 (2018: £2,859,000). At the year end, the amount owed by TATA Steel UK Limited was £308,000 (2018: £364,000).

During the year the company made sales of industrial gas to Air Products (BR) Limited of £1,163,000 (2018: £961,000). At the year end the trading amount owed by Air Products (BR) Limited was £145,000 (2018: £126,000).

The company has provided loans to Air Products (BR) Limited, a subsidiary of Air Products Group Limited. The amount outstanding of £170,000 (2018: £170,000) is due within one year and the amount outstanding of £397,000 (2018: £548,000) is due after more than one year. The loan is interest free and unsecured. In addition, the company is part of a cash pooling arrangement with Air Products (BR) Limited. As at 30 September 2019, the company held £589,000 (2018: £731,000) within this arrangement.

During the year Air Products (BR) Limited invoiced the company £4,425,000 (2018: £3,771,000) in respect of plant operating costs. At the year end the amount owed to Air Products (BR) Limited was £483,000 (2018: £409,000).

During the year, the company utilised consortium relief from the shareholders of £45,000 (2018: £421,000) to offset the corporation tax liability. At the year end, the amount owed to Air Products Group Ltd. was £75,000 (2018: £71,000) and Tata Steel UK Limited was £75,000 (2018: £71,000), both amounts are included within creditors, amounts owed to shareholders.

The company participates in the Feed-in Tariffs (FIT) scheme. A government programme designed to promote the uptake of renewable and low-carbon electricity generation technologies. The scheme is administered by Air Products (BR) Limited on behalf of the company. At the end of the year, the amount receivable from Air products BR Limited in relation to outstanding FIT scheme claims was £284,000 (2018: £210,000). The corresponding FIT scheme payable outstanding at the end of the year to Air Products (BR) Limited was £82,000 (2018: £55,000) and to Tata Steel UK Limited was £202,000 (2018: £155,000).

## **Air Products Llanwern Limited**

### **15 Parent and ultimate parent undertaking**

The company is jointly controlled by two shareholders Air Products PLC and TATA Steel UK Limited, both incorporated in Great Britain.

The largest group in which the results of Air Products PLC and subsidiary undertakings are included is that headed by Air Products and Chemicals Inc., incorporated in the State of Delaware, USA. The consolidated accounts 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

The largest group in which the results of TATA Steel UK Limited and subsidiary undertakings are included is that headed by TATA Steel Limited (TSL), a company incorporated in India. Registered office of TSL:

Bombay House  
24 Homi Mody Street  
Mumbai, 400 001