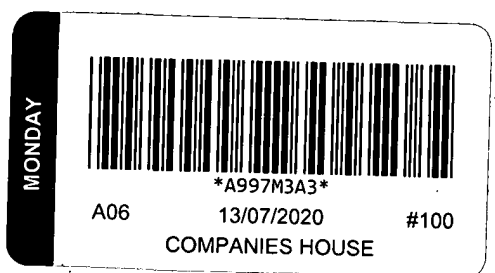


Registration number: 3101747

Air Products Group Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2019



Air Products Group Limited

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Air Products Group Limited

Strategic Report for the Year Ended 30 September 2019

The strategic report has been prepared in accordance with Companies Act 2006.

Principal activity and business review

The principal activity of the company continues to be that of a holding company for the Air Products & Chemicals, Inc UK and Ireland Group. Its principal subsidiaries' activities are the manufacture and sale of industrial gases and related products for their production and use.

The loss for the year ended 30 September 2019 was £3,655,000 (2018: £9,349,000 loss).

Risks and uncertainties

The company aims to manage financial risks to avoid potential negative impacts. The company participates in a group cash pooling arrangement to minimise cashflow and liquidity-based risks. In addition, financial risks related to interest rate and foreign exchange fluctuations are actively managed through the use of derivative financial instruments such as forward contracts.

The company faces investment risk related to the impairment of underperforming subsidiary undertakings. This is monitored through impairment reviews to confirm the carrying value of investments. The United Kingdom's (UK) exit from the European Union ("Brexit") brings risks and uncertainties for the group's subsidiary undertakings. The company anticipates no significant impact on subsidiary undertaking operations as a result of Brexit.

The COVID-19 global pandemic significantly impacted the UK economy beginning in March 2020 when the government implemented various measures to control the spread of the virus. The director's assessment of the Covid-19 impact on the carrying value of subsidiary undertakings can be found in the directors' report on page 2.

Key Performance Indicators

The company does not trade and its principal objective is to act as a holding company for the Air Products UK and Ireland group. As such, the directors monitor performance through the carrying value of investments.


Future developments

The main objective of the company is to continue in its capacity as a holding company for the Air Products UK and Ireland group for the foreseeable future.

Environmental matters

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.

Approved by the Board on 6th July and signed on its behalf by:



R. Boocock
Director

Air Products Group Limited

Directors' Report for the Year Ended 30 September 2019

(Registered number 3101747)

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

Directors of the company

The directors who held office during the year and up to date of this report were as follows:

R. Boocock

C. Stinner

G. Weigard (resigned 31 January 2020)

The following director was appointed after the year end:

M. Crocco (appointed 31 January 2020)

Dividends

The company received a £88,000 dividend in 2019 (2018: £nil). The company paid dividends in the year of £nil (2018: £107,028,000)

Policy and practice on payment of creditors

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

Political donations

The company made no political contributions during the year (2018: nil).

Employees

The company has no employees (2018: nil).

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. The company currently has a net liability position due to loans payable to other group entities. As a result, a letter of support has been provided by ultimate parent entity Air Products and Chemicals, Inc.

In assessing going concern, the directors have considered the impact the Covid-19 pandemic has had on the carrying value of subsidiary undertakings. While the full impact of Covid-19 is still difficult to fully understand at this stage, the directors do not believe that the longer term wider economic impacts will have a significant effect on future subsidiary operations. Therefore, no adjustments to investment carrying values have been deemed necessary and the directors continue to adopt the going concern basis in preparation of these financial statements.

Air Products Group Limited

Directors' Report for the Year Ended 30 September 2019

Disclosure of information to the auditors

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

Financial management and Future Developments

Future developments and details of the companies approach to managing financial risks are included in the strategic report.

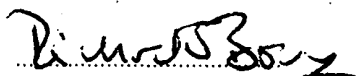
Non adjusting events after the financial period

Subsequent to year-end, the COVID-19 global pandemic significantly impacted the UK economy beginning in March 2020. It is a non-adjusting post balance sheet event and no adjustments have been made to these financial statements in relation to this. The directors have considered the impacts of COVID-19 on the financial position of the company and believe the impact to date has been limited. They also acknowledge that the full impact of Covid-19 is difficult to ascertain at this stage. The company is expected to continue as a going concern for the 12-month period following the signing of these financial statements as disclosed in the directors' report.

Auditors

Pursuant to section 487 of the Companies Act 2006, during the year KPMG LLP resigned as auditors and were replaced by Deloitte LLP. Deloitte LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

Approved by the Board on 6th July 2020 and signed on its behalf by:



R. Boocock
Director

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

Air Products Group Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; 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 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 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.

Air Products Group Limited

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss 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 Statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; 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.

Air Products Group Limited

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

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 respect of these matters.

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. This description forms part of our auditor's report.

Air Products Group Limited

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

Report on other legal and regulatory requirements

Opinion 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

Matters on which we are required to report by exception

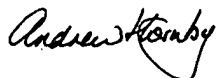
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Reading
United Kingdom

Date: 8 July 2020

Air Products Group Limited

Profit and Loss Account for the Year Ended 30 September 2019

	Note	2019 £ 000	2018 £ 000
Administrative expenses		(13)	(45)
Operating loss	2	(13)	(45)
Dividends Received	4	88	-
Gain on sale of fixed asset investment		-	647
Interest receivable and similar income	5	10	10,725
Interest payable and similar expenses	6	(3,725)	(20,835)
Loss before tax		(3,640)	(9,508)
Taxation	7	(15)	159
Loss for the financial year		(3,655)	(9,349)
All results derive from continued operations.			

The notes on pages-12 to 23 form an integral part of these financial statements.

Air Products Group Limited

The Statement of Other Comprehensive Income for the Year Ended 30 September 2019

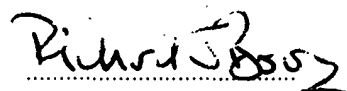
	Note	2019 £ 000	2018 £ 000
Loss for the year		<u>(3,655)</u>	<u>(9,349)</u>
Total comprehensive expense for the year		<u>(3,655)</u>	<u>(9,349)</u>

The notes on pages 12 to 23 form an integral part of these financial statements.

Air Products Group Limited
(Registration number: 3101747)
Balance Sheet as at 30 September 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments	8	653,018	653,018
Current assets			
Debtors	9	320	321
Cash at bank and in hand		345	247
		<u>665</u>	<u>568</u>
Creditors: Amounts falling due within one year	10	<u>(2,359)</u>	<u>(2,236)</u>
Net current liabilities		<u>(1,694)</u>	<u>(1,668)</u>
Total assets less current liabilities		651,324	651,350
Creditors: Amounts falling due after more than one year	10	(203,583)	(200,000)
Provisions for liabilities	11	<u>(813)</u>	<u>(767)</u>
Net assets		<u>446,928</u>	<u>450,583</u>
Capital and reserves			
Called up share capital	12	167,204	167,204
Other reserves	13	55,163	55,163
Profit and loss account	13	<u>224,561</u>	<u>228,216</u>
Total equity		<u>446,928</u>	<u>450,583</u>

Approved and authorised by the Board on 6th July 2020 and signed on its behalf by:



R. Boocock
Director

Air Products Group Limited

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

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2017	167,204	55,163	344,593	566,960
Loss for the year	-	-	(9,349)	(9,349)
Total comprehensive expense	-	-	(9,349)	(9,349)
Dividends	-	-	(107,028)	(107,028)
At 30 September 2018	167,204	55,163	228,216	450,583
	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 October 2018	167,204	55,163	228,216	450,583
Loss for the year	-	-	(3,655)	(3,655)
Total comprehensive expense	-	-	(3,655)	(3,655)
At 30 September 2019	167,204	55,163	224,561	446,928

The notes on pages 12 to 23 form an integral part of these financial statements.

Air Products Group Limited

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

Air Products Group Limited (the 'company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

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

Basis of preparation

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

Measurement convention

These financial statements have been prepared using the historical cost convention.

Summary of disclosure exemptions

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

The consolidated financial statements of Air Products and Chemicals Inc are prepared in accordance with US Generally Accepted Accounting Principles and are available to the public. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures.

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

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

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

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

Air Products Group Limited

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No sources of estimation uncertainty have been identified.

Critical accounting policies and judgements

Accounting for the carrying value of fixed asset investments requires judgment on the underlying economic value of the respective businesses of the company's subsidiary undertakings. Impairment reviews are carried out using measures such as total net assets, EBITDA multiples and discounted cashflow models to ascertain if current carrying values are appropriate.

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. The company currently has a net liability position due to loans payable to other group entities. As a result, a letter of support has been provided by ultimate parent entity Air Products and Chemicals, Inc.

In assessing going concern, the directors have considered the impact the Covid-19 pandemic has had on the carrying value of subsidiary undertakings. While the full impact of Covid-19 is still difficult to fully understand at this stage, the directors do not believe that the longer term wider economic impacts will have a significant effect on future subsidiary operations. Therefore, no adjustments to investment carrying values have been deemed necessary and the directors continue to adopt the going concern basis in preparation of these financial statements.

Air Products Group Limited

1 Accounting policies (continued)

Impairment of fixed assets

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

Foreign currency transactions and balances

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

Foreign exchange gains or losses on fixed income instruments which have corresponding derivative contracts are included in the profit and loss account under other income receivable/payable and similar income/charges to enable reporting of the net effect of all contracts on the company's financial position.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Air Products Group Limited

1 Accounting policies (continued)

Financial instruments

Classification

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

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

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

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

Recognition and measurements

Basic financial instruments

Other debtors / creditors

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

Investments in subsidiaries, jointly controlled entities and associates

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

Other financial instruments

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

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

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

Derivative financial instruments

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

Air Products Group Limited

1 Accounting policies (continued)

Taxation

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

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

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2 Operating loss

Arrived at after charging

	2019 £ 000	2018 £ 000
Auditor's remuneration		
Audit of these financial statements	7	20

No non-audit services were provided by the company's auditors in the current or prior year.

Air Products Group Limited

3 Directors' remuneration

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

4 Income from other fixed asset investments

	2019 £ 000	2018 £ 000
Dividends from fixed asset investments	88	-

5 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income	-	1,422
Gain on derivative financial instruments	-	9,303
Foreign exchange gain on cash and cash equivalents	10	-
	<u>10</u>	<u>10,725</u>

Air Products Group Limited

6 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest payable to group companies	3,596	7,747
Foreign exchange loss on loans from group companies	83	8,657
Foreign exchange loss on cash and cash equivalents	-	3,932
Other foreign exchange losses	46	499
	<u>3,725</u>	<u>20,835</u>

7 Taxation

Analysis of (credit)/ charge in the period:

	2019 £ 000	2018 £ 000
UK corporation tax		
Current tax on income for the period	(4)	(41)
Adjustments in respect of prior periods	1	-
Total current tax	<u>(3)</u>	<u>(41)</u>
Deferred taxation		
Origination/reversal of timing differences	18	17
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(135)
Total deferred taxation	<u>18</u>	<u>(118)</u>
Tax expense/(receipt) in the income statement	<u>15</u>	<u>(159)</u>

The tax on loss before the tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19.5% (2018 - 19.5%).

The differences are reconciled below:

Air Products Group Limited

7 Taxation (continued)

	2019 £ 000	2018 £ 000
Loss before tax	(3,640)	(9,508)
Corporation tax at standard rate (19%)	(710)	(1,854)
Effect of expense not deductible in determining taxable profit (tax loss)	(17)	(127)
Increase/(decrease) in UK and foreign current tax from unrecognised temporary difference from a prior period	1	(135)
Tax increase arising from group relief	743	1,959
Other tax effects for reconciliation between accounting loss and tax charge/(credit)	(2)	(2)
Total tax charge/(credit)	15	(159)

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 15 September 2016. In March 2020 it was announced that the Corporation Tax rate of 19% will be maintained for financial year beginning 1 April 2020. The main Corporation Tax rate will also be set at 19% for the financial year beginning 1 April 2021. The change was not substantially enacted at year end, therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%.

Deferred tax

Deferred tax assets

2019

At beginning of year
Charge to the profit and loss for the year
Adjustment in respect of prior periods

Asset
£ 000

258
(18)

240

2018

At beginning of year
Charge to the profit and loss for the year
Adjustment in respect of prior periods

Asset
£ 000

140
(17)

135

258

Air Products Group Limited

8 Investments in subsidiaries, joint ventures and associates

Details of subsidiary undertakings

Cost and carrying value	2019 £ 000
At 1 October 2018	629,078
At 30 September 2019	629,078

Details of associate undertakings

Cost	2019 £ 000
At 1 October 2018	23,940
At 30 September 2019	23,940

Details of the investments (including principal place of business of unincorporated entities) in which the company holds any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of voting rights and shares held 2019	2018
Subsidiary undertakings				
Air Products (BR) limited	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain	Directly	100%	100%
Air Products PLC	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain	Directly	100%	100%
Air Products Ireland Limited	Unit 950, Western Industrial Estate, Killeen Road, Dublin 12, Ireland	Indirectly	100%	100%
Prodair Services Limited	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain		100%	100%
Air Products Renewable Energy Limited	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain	Indirectly	100%	100%
Air Products Yanbu Limited	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain	Indirectly	100%	100%
Cryoservice Limited	Warndon Business Park, Prescott Drive, Worcester, Worcestershire, WR4 9RH, Great Britain	Indirectly	100%	100%
Gas Direct Ltd	White House Farm, Valley Lane, Long Bennington, Newark, Nottinghamshire, NG23 5EE	Indirectly	100%	100%
Dixons of Westerhope	Westfield, Newbiggin Lane, Westerhope, Newcastle Upon Tyne, NE5 1LX	Indirectly	100%	100%
Joint ventures				
Air Products Llanwern Limited	Hersham Place Technology Park, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, Great Britain	Indirectly	50%	50%

Air Products Group Limited

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

Associates

Inversiones Air Products	Avenida Apoquindo 6750, oficina 801, Las Condes, Santiago, Chile	Directly	11.5%	11.5%
Holdings Limitada				
Air Products and Chemicals de Mexico, S.A. de C.V.	Paseo De La Reforma NI 602, NE 404, Between streets Sevilla and Praga, Ciudad de Mexico, Juarez, 06600, Mexico	Directly	21%	21%

The principal activity of all undertakings is industrial gases. The class of shares held for all investments is Ordinary.

9 Debtors

	Note	2019 £ 000	2018 £ 000
Amounts owed by related parties		4	-
Other debtors		1	2
Deferred tax assets	7	240	258
Income tax asset		75	61
		<u>320</u>	<u>321</u>

Related party transactions are at arm's length at interest rates equivalent to market rate.

10 Creditors

	2019 £ 000	2018 £ 000
Due within one year		
Amounts owed to group undertakings	2,352	2,216
Accruals and deferred income	7	20
	<u>2,359</u>	<u>2,236</u>
Due after one year		
Amounts owed to group undertakings	<u>203,583</u>	<u>200,000</u>

Intercompany loan transactions are at arm's length at interest rates equivalent to market rate.

Air Products Group Limited

11 Provisions

	Asset retirement obligation £ 000	Total £ 000
At 1 October 2018	767	767
Increase due to foreign exchange differences	46	46
At 30 September 2019	<u>813</u>	<u>813</u>

12 Share capital

Authorised, allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares A of £1 each	167,204	167,204	167,204	167,204

13 Reserves

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

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
Other reserves	167,204	55,163	224,561	446,928
Profit for the year	-	-	3,655	3,655
	<u>167,204</u>	<u>55,163</u>	<u>228,216</u>	<u>450,583</u>

Other reserves consist of capital contributions.

14 Events after the balance sheet date

Subsequent to year end, the COVID-19 global pandemic significantly impacted the UK economy beginning in March 2020. It is a non-adjusting post balance sheet event and no adjustments have been made to these financial statements in relation to this. The directors have considered the impacts of COVID-19 on the financial position of the company and believe the impact to date has been limited. They also acknowledge that the full impact of Covid-19 is difficult to ascertain at this stage. The company is expected to continue as a going concern for the 12-month period following the signing of these financial statements as disclosed in the directors' report.

Air Products Group Limited

15 Parent and ultimate parent undertaking

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

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

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