

**A-Gas Investments Limited**

**Annual report and  
financial statements**

**Registered number 06004328**

**31 December 2018**



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## **Company Information**

### **Directors**

AJ Ambrose  
IVS Podmore  
REM Stewart

### **Secretary**

REM Stewart

### **Auditor**

KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE

### **Bankers**

The Royal Bank Of Scotland PLC  
3 Temple Back East  
Temple Quay  
Bristol  
BS1 6DZ

### **Solicitors**

Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

### **Registered Office**

Banyard Road  
Portbury West  
Bristol  
BS20 7XH

## Strategic Report

### Business model

Since acquiring the entire share capital of A-Gas International Holdings Limited in 2007, the principal activity of the company has been as an intermediate holding company

### Business review

The Company's financial and other key performance indicators during the period to 31 December 2018 were as follows:

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Profit/(loss) after tax	236	(34)
Total shareholder deficit	(9,910)	(10,146)
Current assets as a percentage of current liabilities	7%	7%

Notwithstanding net current liabilities of £41,337,000 (2017: £41,573,000) and net liabilities of £9,910,000 (2017: £10,146,000), the financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reason. A-Gas Bidco Limited, the company's parent company, has indicated that for a period of at least 12 months from the date of approval of these financial statements they will provide support to the company to allow it to meet its liabilities as they fall due for payment. Work is currently underway to access historic tax losses that have accrued within the company. The Company and wider group shall enjoy the economic benefit of these losses once realised.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so.

### Principal risks and uncertainties

The company holds an investment balance in the A-Gas group. The company's principal risk is recovery of its investment, which is related to the principal risks and uncertainties facing the group. These principal risks and uncertainties facing the group are broadly grouped as legislative and exposure to price, credit, liquidity, cash flow and foreign currency risk.

#### Legislative risk

Demand for A-Gas' products is driven by growth in the underlying demand for climate cooling, refrigeration and fire protection applications. Changes in the regulatory environment in these sectors has an impact on the mix of products we sell in each market. There are various regulations governing the packaging used to distribute these products, with disposable cylinders no longer permitted in the EU, Canada and Australia.

## Strategic Report (continued)

### Legislative risk (continued)

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<sub>2</sub>) which are encompassed in the Kyoto Protocol.

During 2015, consensus was reached at the Kigali meeting of the Montreal Protocol Committee on bringing the phase down of HFCs under the Montreal Protocol which is seen as a positive move by the industry in moving end users towards lower GWP products. The so-called Kigali amendment was ratified in 2017 enacting the next legislation.

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

In addition to the Montreal Protocol, the following key legislative frameworks apply within A-Gas territories:

- **F-Gas regulation (UK/Europe)** – Passed as law by the European Parliament in 2006 as part of the EU's commitments under the Kyoto Protocol, this legislation aimed to reduce emissions of fluorinated greenhouse gases (F Gases) comprising mainly hydrofluorocarbons (HFCs) through containment, leak reduction, repair and recovery. Revisions of the EU F-Gas regulation proposed in 2014 have now entered into force and took effect from 1 January 2015.

The revisions include a cap and phase-down in the supply of HFCs, beginning with a freeze in supply in 2013 (calculated as the annual average of the total quantity of HFCs produced and imported into the EU during the period from 2009 to 2014). This is to be followed by a series of reduction steps from 2016 to reach 21% of HFC supply by 2030. Provision is made for the free allocation of HFC quotas to individual companies based on their historic reported HFC volumes placed on the EU market from 2009 to 2014.

The revisions also included prohibition of F-Gases with a global warming potential (GWP) of 2500 or more, although the use of reclaimed and recycled F-gases with a GWP above 2500 is allowed until 1 January 2030. A proposed ban on import of pre-charged equipment was not approved and was replaced with measures for tracking such imports and exports.

The revisions are expected to increase demand in the medium term for the group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

- **Clean Air Act/Environmental Protection Agency (US)** - Effective 1 January 1996, the Clean Air Act prohibited the production of virgin, and makes it mandatory to capture, chlorofluorocarbon (CFC) refrigerants and limited the production of virgin hydrochlorofluorocarbon (HCFC) refrigerants to comply with the US obligations under the Montreal Protocol.

The US Environmental Protection Agency (EPA) is responsible for establishing federal regulations to comply with the Act, and it has achieved this by issuing annual consumption and production allowances to US manufacturers and importers. The regulations allow for the production or importation of HCFC-22 and the allowances for 2015 were 22 million pounds, reducing in a linear manner down to zero in 2020.

The revisions are expected to increase demand in the medium term for the group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

## Strategic Report (continued)

### Legislative risk (continued)

The USA is a signatory to the Kigali Amendment, but will need Senate approval to ratify, which is not expected in the near future.

As a party to the Montreal Protocol and its amendments, South Africa and Singapore are obliged and committed to following the agreed phase out of HCFCs as follows:

- Freeze consumption and production in 2015 at the baseline consumption (2009-2010);
- Reduce 10% by 1 January 2015;
- Reduce 35% by 1 January 2020;
- Reduce 67.5% by 1 January 2025;
- Allow 2.5% annual consumption during 1 January 2030-31 December 2040.

In South Africa, this is controlled through the regulations regarding the Phasing Out and Management of Ozone Depleting Substances (ODS) together with the National Environmental Air Quality Act. The phase-out mechanism adopted by the Department of Environmental Affairs (DEA) to ensure that South Africa adheres to this phase out schedule, is by the issuing of quotas to importers of HCFCs based on their 2009/10 import volumes. South Africa has elected to accelerate the phase out of HCFCs by annual reductions in quota from 2015 and has also elected to accelerate the phase out of HCFC R141b with all imports of this product being banned from 1 January 2016. In addition, recovery of used product is now mandatory. The revisions are expected to increase demand in the medium term for the group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

• **Ozone Protection and Synthetic Greenhouse Gas Management (Australia)** – as regards the phase-out of HCFCs in Australia, the country is following an accelerated phase-out plan in comparison to their obligations under the Montreal Protocol. This accelerated plan all but removes the ability to import or produce virgin HCFCs from the beginning of 2017. Under the same legislation, the Australian Government has passed into law the phase down of HFCs to achieve an 85% reduction in imports/production by 2036. The phase down has commenced from the beginning of 2018 and represents an acceleration of their commitments under the Kigali Amendment to the Montreal Protocol. This legislation is expected to increase demand in the medium term for the Group's reclamation activities and for the next generation of less environmentally sensitive chemicals.

### *Brexit risk*

#### *Readiness*

The Group have convened an internal Brexit Committee to assess all of the potential impacts and have taken the measures that the Group deem necessary to mitigate the key risks to the business of which the Group believe there are very few. Over 70% of its global business is outside the UK and the Group do not export significant amounts of product to Europe from the UK. As regards imports, these are controlled by quotas and it is the quota position that is more important as regards the availability of virgin product imported from Europe, than whether tariffs are applied.

#### *Customers*

The Group will continue to supply our UK customers from the UK. For European customers, to the extent they are not already supplied by our businesses in the Netherlands and Germany, it is likely we will begin supplying them from the Netherlands. The Group have invested in additional separation capacity in the Netherlands and will be able to reclaim and separate product in mainland Europe to service European customers.

## Strategic Report (continued)

### *Supply Chain*

For virgin product the Group will be able to continue to import product from outside Europe using our its quota. The Group also buy virgin product from other suppliers based in Europe which may attract additional tariffs post-Brexit but the Group do not believe this will have a material adverse effect on the business.

### *Employees*

The Group has a small number of European nationals working in its business in the UK and the Group are looking at what impact Brexit may have on their right to work.

### *Financing*

The Group do not believe that our financing arrangements will be impacted by Brexit.

### *Regulation*

F-Gas is European legislation but it has been adopted under UK law so would take an Act of Parliament to repeal the legislation. Furthermore, the UK has ratified the Kigali Amendment of the Montreal Protocol and so the country would be subject to HFC phase-down regulation under Kigali in the event that the F-Gas Regulations were repealed in Parliament.

### **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. Company 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 company's debtors are given in Note 9.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by properly managing cash generation from its operations and applying cash collection targets. The company 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 company manages this risk by preparing rolling three month forward cash flow forecasts.

#### *Foreign currency risk*

Foreign currency risk is the risk associated with changes in profitability as a result of trading in more than one currency. The company manages this risk by hedging large foreign currency denominated transactions and by seeking to match foreign currency denominated assets and liabilities in order to achieve a form of natural hedge.

## Strategic Report (continued)

By order of the board:



**REM Stewart**  
*Director*

Banyard Road  
Portbury West  
Bristol  
BS20 7XH  
29 May 2019



## **Directors' Report**

The directors present their report and financial statements for the year to 31 December 2018.

### **Results and dividends**

The profit for the year, after taxation, amounted to £236,000 (2017: loss of £34,000).

No dividends were paid during the year (2017: £nil). The directors do not recommend the payment of a final dividend (2017: none).

### **Directors of the Company**

The directors who served during the year, and subsequently, were:

AJ Ambrose  
IVS Podmore  
JM Roach (resigned 31 October 2018)  
REM Stewart

### **Directors' qualifying third party indemnity provision**

The Company 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 contributions**

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

### **Disabled involvement**

The Company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements specified. Opportunities are available to disabled employees for training, career development and promotion.

### **Employee involvement**

The Company 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.

### **Disclosure of information to the auditor**

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.

## Directors' Report (continued)

### Auditor

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

By order of the board:



**REM Stewart**  
*Director*

Banyard Road  
Portbury West  
Bristol  
BS20 7XH

29 May 2019

## **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, 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 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of A-Gas Investments Limited**

### **Opinion**

We have audited the financial statements of A-Gas Investments Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of receivables, the valuation of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

## **Independent auditor's report to the members of A-Gas Investments Limited (continued)**

### **Going concern (continued)**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of A-Gas Investments Limited (continued)**

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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

**NChrimes**

**Nathan Chrimes (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE  
Date: 30 May 2019

**Profit and Loss Account and Other Comprehensive Income**  
*for the 12 months ended 31 December 2018*

	<i>Note</i>	12 months ended 31 December 2018 £000	12 months ended 31 December 2017 £000
Turnover	2	-	-
Administrative expenses		-	(1)
Operating result/(loss)	3	-	(1)
Interest payable and similar expenses	6	(36)	(33)
Loss before taxation		(36)	(34)
Taxation	7	272	-
Profit/(Loss) for the year		236	(34)
Total comprehensive income		236	(34)

All results are derived from continuing activities.

There are no other recognised gains or losses attributable to the shareholders of the company other than as stated above and therefore no separate Statement of Other Comprehensive Income has been presented.

## Company Statement of Financial Position

at 31 December 2018

	Note	2018 £000	2017 £000
<b>Non-current assets</b>			
Investments	8	31,427	31,427
		<u>31,427</u>	<u>31,427</u>
<b>Current assets</b>			
Debtors (due after more than one year: £nil; 2017: £nil)	9	3,354	3,361
Deferred tax asset (due after more than one year: £272,000; 2017: £nil)	11	272	-
		<u>3,626</u>	<u>3,361</u>
<b>Creditors: amounts falling due within one year</b>	10	(44,963)	(44,934)
		<u>(41,337)</u>	<u>(41,573)</u>
<b>Net current liabilities</b>		<u>(41,337)</u>	<u>(41,573)</u>
<b>Net liabilities</b>		<u>(9,910)</u>	<u>(10,146)</u>
<b>Capital and reserves</b>			
Share capital	12	-	-
Profit and loss account		(9,910)	(10,146)
		<u>(9,910)</u>	<u>(10,146)</u>
<b>Equity shareholders funds</b>		<u>(9,910)</u>	<u>(10,146)</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 29 May 2019 and were signed on its behalf by:



**REM Stewart**  
Director



## Statement of Changes in Equity

	Share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2017	-	(10,112)	(10,112)
<b>Total comprehensive loss for the period</b>			
Loss	-	(34)	(34)
<b>Total comprehensive loss for the period</b>	-	(34)	(34)
<i>Transactions with owners, recorded directly in equity</i>			
Total contributions by and distributions to owners	-	-	-
<b>Balance at 31 December 2017</b>	-	(10,146)	(10,146)

	Share capital £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2018	-	(10,146)	(10,146)
<b>Total comprehensive loss for the period</b>			
Profit	-	236	236
<b>Total comprehensive profit for the period</b>	-	236	236
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 December 2018</b>	-	(9,910)	(9,910)

## Notes (forming part of the Financial Statements)

### 1. Accounting policies

A-Gas Investments Limited (the “Company”) is a private company, limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 06004328 and the registered address is Banyard Road, Portbury West, Bristol, BS20 7XH.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 18.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2017 have not been restated.

The Company’s intermediate parent undertaking, A-Gas Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of A-Gas Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have concluded that in the application of these accounting policies, there have been no judgements that have a significant effect on the financial statements, nor any estimates with a significant risk of material misstatement.

#### *Basis of preparation and measurement convention*

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### *Going concern*

Notwithstanding net current liabilities of £41,337,000 (2017: £41,573,000) and net liabilities of £9,910,000 (2017: £10,146,000), the financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its intermediate parent company, A-Gas Bidco Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on A-Gas Bidco Limited not seeking repayment of the amounts currently due to the company, which at 31 December 2018 amounted to £43,888,000, and providing additional financial support during that period. A-Gas Bidco Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### *Foreign currency*

Transactions in foreign currencies are translated to the group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### *Classification of financial instruments issued by the group*

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the group 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 group; 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 instrument for a similar debt instrument.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end.

#### *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.

#### *Investments in preference and ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

## Notes (continued)

### *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.

### *Impairment excluding stocks and deferred tax assets*

#### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

## Notes (continued)

### *Impairment excluding stocks and deferred tax assets (continued)*

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

### *Taxation*

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

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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes (continued)

### 2. Turnover

The company is an intermediate holding company and has not traded during the current period.

### 3. Expenses and auditors' remuneration

Included in profit/loss are the following:

	2018 £000	2017 £000
Auditor's remuneration	3	3

The Company's audit fee was £3,000 (2017: £3,000) and was borne by another company within the A-Gas group, A-Gas (Orb) Limited. Fees paid to the company's auditor, KPMG LLP, for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, A-Gas Group Limited disclose non-audit fees on a consolidated basis.

### 4. Staff numbers and costs

The company had no staff, other than the directors, at any time during the year (2017: none).

### 5. Directors' remuneration

All directors are also directors of an intermediate parent company, A-Gas Group Limited. Their emoluments for the current year are borne by and disclosed in the financial statements of A-Gas (Orb) Limited, an intermediate group company. None of the services provided by directors can be attributed to the company as they are insignificant (2017: none).

### 6. Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable on loans due to group entities	36	33
	<u>36</u>	<u>33</u>

## Notes (continued)

### 7. Taxation

	2018 £000	2017 £000
<i>Current tax expense</i>		
Total current tax	-	-
Tax losses	(272)	-
Total deferred tax	(272)	-
Total tax credit	(272)	-
Reconciliation of effective tax rate:		
	2018 £000	2017 £000
Profit/(loss) for the year	236	(34)
Total tax credit	(272)	-
Loss for the year before tax	(36)	(34)
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	(7)	(7)
Thin capitalisation and transfer pricing	(423)	-
Previously unrecognised deferred tax	(271)	-
Group relief	429	7
	(272)	-



## Notes (continued)

### 8. Investments in subsidiaries

The Company has the following investments in subsidiaries:

<i>Subsidiary undertaking</i>	<i>Class and percentage of shares held</i>	<i>Country of incorporation</i>	<i>Registered address</i>	<i>Principal activity</i>
A-Gas International Limited <sup>1</sup>	100% ordinary	England & Wales	3	Holding company
A-Gas (UK) Limited <sup>1</sup>	100% ordinary	England & Wales	3	Chemicals and gases
A-Gas (Australia) Pty Limited <sup>1</sup>	100% ordinary	Australia	4	Chemicals and gases
A-Gas (South Africa) (Pty) Limited <sup>1</sup>	100% ordinary	South Africa	5	Chemicals and gases
A-Gas (SEA) Pte Limited <sup>1</sup>	100% ordinary	Singapore	6	Chemicals and gases
A-Gas Electronic Materials Limited <sup>1</sup>	100% ordinary	England & Wales	3	Electronic materials
A-Gas (Performance Chemicals), Inc. <sup>1</sup>	100% ordinary	USA	7	Chemicals and gases
Comercializadora Industrial JFD, S.A de C.V. <sup>1</sup>	100% ordinary	Mexico	8	Chemicals and gases
A-Gas Solpac Asia Pacific Pte Limited <sup>1</sup>	100% ordinary	Singapore	6	Holding company
A-Gas Solpac Holdings (Thailand) Limited <sup>1</sup>	49% ordinary	Thailand	9	Holding company
A-Gas Thailand Limited <sup>1</sup>	99% ordinary	Thailand	9	Chemicals and gases
A-Gas (Shanghai) Chemical Co Limited <sup>1</sup>	100% ordinary	China	10	Chemicals and gases
A-Gas US Holdings, Inc. <sup>1</sup>	100% ordinary	USA	11	Holding company
A-Gas US, Inc. <sup>1</sup>	100% ordinary	USA	11	Holding company
Reclamation Technologies, Inc. <sup>1</sup>	100% ordinary	USA	12	Chemicals and gases
Coolgas, Inc. <sup>1</sup>	100% ordinary	USA	11	Chemicals and gases
A-Zone Technologies Limited <sup>1</sup>	100% ordinary	England & Wales	3	Chemicals and gases
Dioxi Limited <sup>1</sup>	100% ordinary	England & Wales	3	Dormant
RapRec, Inc. <sup>1</sup>	100% ordinary	USA	13	Chemicals and gases
RapRec Franchising, Inc. <sup>1</sup>	100% ordinary	USA	13	Chemicals and gases
RapRec Support, Inc. <sup>1</sup>	100% ordinary	USA	13	Chemicals and gases
RapRec Refrigerants, Inc. <sup>1</sup>	100% ordinary	USA	13	Chemicals and gases
BTC B.V. <sup>1</sup>	100% ordinary	Netherlands	14	Chemicals and gases
Diversified Pure Chem LLC <sup>1, 2</sup>	100% ordinary	USA	15	Chemicals and gases
A-Gas Deutschland GmbH <sup>1</sup>	100% ordinary	Germany	16	Holding company
A-Gas Canada Inc. <sup>1</sup>	100% ordinary	Canada	17	Chemicals and gases
A-Gas (New Zealand) Limited <sup>1</sup>	100% ordinary	New Zealand	18	Chemicals and gases
Arthur Friedrichs Kältemittel GmbH <sup>1</sup>	100% ordinary	Germany	19	Chemicals and gases
A-Gas Grundstücksverwaltungs GmbH <sup>1</sup>	100% ordinary	Germany	16	Property company

## Notes (continued)

### 8. Investments in subsidiaries (continued)

- Note 1 – Shares held by a subsidiary company of A-Gas Investments Limited.  
Note 2 – Entity is an LLC, control is exercised via membership interests rather than shareholding.  
Note 3 – Banyard Road, Portbury West, Bristol, BS20 7XH, UK  
Note 4 – 9-11 Oxford Road, Laverton North, Melbourne, Victoria, Australia, 3026  
Note 5 – 649 Afrikander Road, Mirdock Valley South, Simonstown, South Africa  
Note 6 – C/O KWCA Pte Ltd 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624  
Note 7 – Brandywine Building, 1000 West Street, 17th Floor, Wilmington, New Castle County, Delaware, 19801  
Note 8 – Pablo Villaseñor 460, Col. Ladrón de Guevara CP 44600 Guadalajara, México  
Note 9 – 68-68/6 S&B Tower, Floor 7th, Room No. 702, Pan Road, Silom, Bangrak, Bangkok 10500, Thailand  
Note 10 – Room 1102 Yunding International Building, 800 Chengshan Rd, Pudong District, Shanghai, 200125  
Note 11 – 1209 Orange Street, Wilmington, New Castle County, Delaware, 19802  
Note 12 – 4119 Dunkirk, Toledo, Ohio, 43606  
Note 13 – 8932, W. Cactus Road, Peoria, AZ, 85381  
Note 14 – Albert Thijsstraat 65, 6471 WX, Eygelshoven  
Note 15 – 1209 Orange Street, Wilmington, New Castle County, Delaware, 19802  
Note 16 – Reeperbahn 1, C/O Osborne Clarke, Rechtsanwälte Steuerberater PartGmbH, Tanzende Turme, 20359  
Note 17 – 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, Canada, M5L 1A9  
Note 18 – MinterEllisonRuddWatts, Level 20, 88 Shortland Street, Auckland Central, Auckland, 1010  
Note 19 – Bei den Kämpen 22, Seevetal, 21220

## Notes (continued)

### 8. Investments (continued)

	Shares in group undertakings	Participating interests	Other investments other than loans	Total
	£000	£000	£000	£000
<b>Cost</b>				
Balance at 1 January 2018	31,427	-	-	31,427
Additions	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>31,427</b>	<b>-</b>	<b>-</b>	<b>31,427</b>
<b>Provisions</b>				
Balance at 1 January 2018	-	-	-	-
Provided in year	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 31 December 2018</b>	<b>31,427</b>	<b>-</b>	<b>-</b>	<b>31,427</b>
Balance at 1 January 2018	31,427	-	-	31,427

### 9. Debtors

	2018 £000	2017 £000
Other debtors	10	10
Prepayments	-	6
Receivables owed by group undertakings	3,344	3,345
	<b>3,354</b>	<b>3,361</b>

Amounts owed by group undertakings are payable on demand. All other debtors are due within one year.

## Notes (continued)

### 10. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Unsecured loan notes due to group entity	492	455
Amounts owed to group undertakings	4,546	4,546
Other creditors and accrued expenses	91	93
Loans due to group undertakings	39,834	39,840
	<u>44,963</u>	<u>44,934</u>

The unsecured loan notes due to a group entity bear interest at 8% per annum. The amounts owed to group undertakings bear no interest and are payable within one year.

### 11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 £000	2017 £000	Liabilities 2018 £000	2017 £000
Unused tax losses	272	-	-	-
Tax assets / (liabilities)	<u>272</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. The March 2016 Budget announced that the rate will further reduce to 17% (effective from 1 April 2020). This will further reduce the company's future current tax charge and impact the group's deferred tax position accordingly.

The deferred tax asset at 31 December 2018 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

## Notes (continued)

### 12. Capital and reserves

	2018 £000	2017 £000
<b>Share Capital</b>		
<i>Allotted, called up and fully paid</i>		
One ordinary share of £1 (2017: one)	-	-
	-	-

### 13. Capital Commitments

The company had no capital commitments at the balance sheet date (2017: nil).

### 14. Contingencies

The company together with other group subsidiaries has fixed and floating charges under a charge dated 11 August 2017 in respect of loans and bank borrowings of a subsidiary of the company. The total amount of loans guaranteed at 31 December 2018 was £240,111,000 (2017: £206,071,000). As at 31 December 2018, £225,369,000 (2017: £176,071,000) was utilised.

The company together with group subsidiaries has guaranteed the group revolving credit facility to the extent of £30,000,000 (2017: £30,000,000). As at 31 December 2018, £20,767,000 (2017: £18,354,000) was utilised.

## Notes (continued)

### 15. Post Balance Sheet Events

Other than the events detailed below, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the company and group, in future financial years.

A-Gas (SEA) Pte Limited acquired the entire share capital of Vemac Services Pte Ltd for a consideration of £1.25m on 13 February 2019.

### 16. Related party transactions

The company has taken advantage of the exemption given by FRS101 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.

Company	Loans & receivables outstanding		Loans & creditors outstanding	
	2018 £000	2017 £000	2018 £000	2017 £000
Entities over which group has control, joint control or significant influence (subject to wholly owned exemption)	3,344	3,345	44,872	44,841
	<u>3,344</u>	<u>3,345</u>	<u>44,872</u>	<u>44,841</u>

### 17. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of A-Gas (Orb) Limited. The ultimate holding company is Clean TopCo Limited, incorporated in the Cayman Islands, and the registered address is: P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The ultimate controlling party is KKR & Co. Inc., incorporated in Delaware, United States of America and registered at 9 West 57th Street, Suite 4200, New York, New York, 10019, United States of America.

The largest and smallest group in which the results of the Company are consolidated is that headed by A-Gas Group Limited, incorporated in the United Kingdom, and the registered address is: 11th Floor, 200 Aldersgate Street, London, EC1 4HD, United Kingdom.

## Notes (continued)

### 18. Explanation of transition to FRS 101 from FRS 102

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the period ended 31 December 2017 and in the preparation of an opening FRS 101 balance sheet at 24 May 2017 (the Company's date of transition).

In preparing its opening FRS 101 balance sheet, the Company has considered whether there were any adjustments required to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (FRS 102). There were no such adjustments required.