

BOC HOLDINGS

(Registered No: 212945)

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2000



BOC HOLDINGS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2000

The directors present their Report together with the Audited Accounts for the year ended 30 September 2000.

REVIEW OF ACTIVITIES

The company's principal activity is and has been throughout the year that of an investment holding company. It is envisaged that this will continue to be the principal activity of the company for the foreseeable future.

The results for the year are contained in the accompanying Profit and Loss Account on page 5.

YEAR 2000

No significant problems associated with the Year 2000 date changes occurred and monitoring has continued to confirm that no date-related failures have occurred since the year-end date.

ECONOMIC & MONETARY UNION

The Euro was launched for business-to-business use on 1 January 1999 in the current participating countries, not including the United Kingdom. The degree of interest by customers and suppliers in using the new currency has varied, but the take up to date has mostly been small. This has given us an opportunity to refine our systems and processes for Euro conversion, but no material problems have been encountered.

As the company does not trade, however, the introduction of the Euro has not been significant. Costs to date have been minimal. All costs incurred in relation to EMU have been, and will be, borne by The BOC Group plc, the company's holding company.

DIVIDENDS

An interim dividend on the company's Ordinary shares amounting to £52,500,000 was paid on 20 December 1999.

The directors do not recommend the payment of a final dividend for the year ended 30 September 2000.

DIRECTORS

The directors of the company during the year were:

Mr G A Chipchase (alternate)
 Mr A E Isaac
 Mr R Médori (appointed 14 July 2000)
 Mr V K Saith
 Mrs G J Stuart

The directors are not subject to retirement by rotation.

DIRECTORS' INTERESTS

According to the register kept by the company for the purposes of section 324 of the Companies Act 1985, no director was interested in any shares or debentures of the company at 30 September 2000. Interests in shares or debentures of The BOC Group plc, the company's holding company, were as follows:

Name	Ordinary shares of 25p each		<u>Options over Ordinary shares of 25p each</u>			
	30.09.00	01.10.99	30.09.00	Granted in year	Exercised in year	01.10.99
G A Chipchase	1,274	1,053	57,752	30,000	221	27,973
V K Saith	4,976	4,340	135,000	30,000	636	105,636
G J Stuart	3,598	2,489	285,703	99,945	1,061	186,819

The interests of Mr A E Isaac and Mr R Médori in the shares or debentures of The BOC Group plc are disclosed in that company's accounts.

AUDITORS

Pursuant to section 386(1) of the Companies Act 1985 (as inserted by the Companies Act 1989) the members have resolved to dispense with the obligation to appoint auditors annually and PricewaterhouseCoopers shall be deemed to be re-appointed each year.

ANNUAL GENERAL MEETING AND LAYING OF ACCOUNTS

Pursuant to sections 366A(1) and 252(1) of the Companies Act 1985 (as inserted by the Companies Act 1989) the members have resolved to dispense with the holding of Annual General Meetings and the laying of the Report and Accounts of the company before the members in general meeting.

BY ORDER OF THE BOARD



C A HUNT
 SECRETARY
 11 December 2000

BOC HOLDINGS**REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

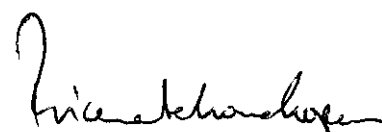
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



London
11 December 2000

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

BOC HOLDINGS

RESPONSIBILITY OF THE DIRECTORS

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records which 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 1985. The directors also have general responsibility for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BOC HOLDINGS
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2000

	<u>Note</u>	<u>2000</u> £000	<u>1999</u> £000
INCOME FROM INVESTMENTS			
Dividend income:			
From shares in group undertakings		13,785	32,967
From participating interests		4,693	3,672
		<hr/> 18,478	<hr/> 36,639
(Loss)/Profit on disposal of investments	5	1,601	(971)
Provisions for impairment of investments	5	(-)	(2,300)
Other interest receivable and similar income	3	16,042	18,335
Interest payable and similar charges	3	(332)	(1,030)
		<hr/> 35,789	<hr/> 50,673
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	4	(4,245)	(8,267)
		<hr/> 31,544	<hr/> 42,406
PROFIT FOR THE FINANCIAL YEAR			
Dividends paid		(52,500)	(100,000)
		<hr/> (20,956)	<hr/> (57,594)
RETAINED LOSS FOR THE FINANCIAL YEAR			
		54,378	111,972
RETAINED PROFITS AT 1 OCTOBER			
		<hr/> 33,422	<hr/> 54,378
RETAINED PROFITS AT 30 SEPTEMBER			
		<hr/> <hr/> 33,422	<hr/> <hr/> 54,378

There were no recognised gains or losses in the year other than those included in the profit and loss account and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

BOC HOLDINGS**BALANCE SHEET AT 30 SEPTEMBER 2000**

	<u>Note</u>	<u>2000</u> £000	<u>1999</u> £000
FIXED ASSETS			
Investments	5	595,460	550,155
CURRENT ASSETS			
Debtors	6	2,730	20,700
Cash at bank and in hand		13,418	(-)
		16,148	20,700
CREDITORS: Amounts falling due within one year	7	(232,351)	(170,642)
NET CURRENT LIABILITIES		(216,203)	(149,942)
NET ASSETS		379,257	400,213
CAPITAL AND RESERVES			
Called up share capital	8	340,000	340,000
Capital reserve		5,835	5,835
Profit and loss account		33,422	54,378
EQUITY SHAREHOLDERS' FUNDS	9	379,257	400,213

These accounts were approved by the
Board of Directors and are signed
on its behalf by:

11 December 2000


MR R MÉDORI
Director

BOC HOLDINGS**NOTES TO ACCOUNTS****1. PRINCIPAL ACCOUNTING POLICIES****a) Accounting Convention**

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom and have been prepared in accordance with the historical cost convention.

b) Investment Income

Income from shares is included in the profit and loss account upon receipt. All other income is included on an accruals basis.

c) Exchange Rates

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of receipt or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange approximating to those ruling at the financial year-end. All exchange differences are included in the profit and loss account.

d) Cash Flow

The company is a wholly owned subsidiary undertaking of The BOC Group plc which is registered in England and Wales and is the Company's ultimate parent company. The cash flows of the company are included in the consolidated Group cash flow statement of that company. Consequently, the company is exempt under the terms of the Financial Reporting Standard Number 1 (Revised) from publishing a cash flow statement.

e) Group Accounts

The financial statements contain information about BOC Holdings as an individual company and do not contain consolidated financial information as the parent of the Group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent The BOC Group plc, a company registered in England and Wales.

f) Investments

Fixed asset investments are stated at cost less any provision for impairment.

BOC HOLDINGS**NOTES TO ACCOUNTS****2. PROFIT AND LOSS ACCOUNT**

The results for the year are shown on page 6.

a) Directors' Remuneration

The emoluments of the directors are paid by the ultimate parent company, The BOC Group plc, in their roles as managers and directors of the group. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company. Accordingly these financial statements include no emoluments in respect of the directors.

b) Auditors Remuneration

The remuneration payable in relation to audit services is included in the aggregate fees disclosed in the consolidated financial statements of The BOC Group plc, the company's ultimate parent company.

c) Employees

The company had no employees in the year. The company is not charged for the services by employees of other group companies that provide services to the company.

3. INTEREST**a) Interest receivable and similar income**

	<u>2000</u>	<u>1999</u>
	£000	£000
Interest receivable – Group companies	1,898	620
Interest receivable – Participating interests	6,462	16,059
Other similar income:	7,682	1,656
	<u>16,042</u>	<u>18,335</u>

b) Interest payable and similar charges

	<u>2000</u>	<u>1999</u>
	£000	£000
- Other similar charges	332	1,030
	<u>332</u>	<u>1,030</u>

BOC HOLDINGS**NOTES TO ACCOUNTS (CONTINUED)****4. TAX**

The charge for tax is made up as follows:

	2000 £000	1999 £000
United Kingdom Corporation Tax at 30% (1999: 30%/31%)	(12,920)	(20,200)
Relief for overseas taxation	7,300	15,060
	<hr/> (5,620)	<hr/> (5,140)
Prior year adjustment for over provision	1,981	-
	<hr/> (3,639)	<hr/> (5,140)
Overseas tax - current year	(606)	(3,127)
	<hr/> (4,245)	<hr/> (8,267)
Tax on profit on ordinary activities	<hr/> (4,245)	<hr/> (8,267)

The United Kingdom corporation tax rate was reduced from 31% to 30% on 1 April 1999.
The adjustment in prior years is due to the surrender of Advanced Corporation Tax by a group company.

BOC HOLDINGS**NOTES TO ACCOUNTS (CONTINUED)****5. INVESTMENTS****a) Summary**

	<u>2000</u> £000	<u>1999</u> £000
Equity investments - net book value	405,139	398,168
Other investments other than loans - net book value	1,538	1,695
Loans to group undertakings and participating interests	188,783	150,292
	<hr/>	<hr/>
Total investments	595,460	550,155
	<hr/>	<hr/>

b) Equity investments

	<u>Shares</u> <u>in group</u> <u>undertakings</u> £000	<u>Participating</u> <u>Interests</u> £000	<u>Total</u> £000
Cost:			
At 1 October 1999	364,079	60,060	424,139
Additions	6,971	-	6,971
	<hr/>	<hr/>	<hr/>
At 30 September 2000	371,050	60,060	431,110
	<hr/>	<hr/>	<hr/>
Provisions:			
At 1 October 1999	(23,971)	(2,000)	(25,971)
	<hr/>	<hr/>	<hr/>
At 30 September 2000	(23,971)	(2,000)	(25,971)
	<hr/>	<hr/>	<hr/>
Investments - net book value	347,079	58,060	405,139
	<hr/>	<hr/>	<hr/>
Listed investments – net book value	37,177	-	-
	<hr/>	<hr/>	<hr/>
Listed investments - market value	246,860	-	-
	<hr/>	<hr/>	<hr/>

BOC HOLDINGS**NOTES TO ACCOUNTS (CONTINUED)****b) Equity investments (continued)**

In the opinion of the directors of the company the value of the assets of the company consisting of shares in or amounts owing (whether on account of a loan or otherwise) from the company's group undertakings, participating interests and other investments is not less than the aggregate of the amounts at which these assets are stated or included in the balance sheet.

c) Other investments other than loans

Included in other investments other than loans is a listed investment with a net book value of £1.0m. The market value of this investment was £2.2m at 30 September 2000.

d) Loans to group undertakings and participating interests

	<u>Group</u> <u>undertakings</u> £000	<u>Participating</u> <u>Interests</u> £000	<u>Total</u> £000
Cost:			
At 1 October 1999	103,211	50,081	153,292
Advances	4,738	33,852	38,590
Repayments	(4,494)	(6,209)	(10,703)
Exchange	2,953	7,651	10,604
	<hr/>	<hr/>	<hr/>
At 30 September 2000	106,408	85,375	191,783
	<hr/>	<hr/>	<hr/>
Provisions:			
At 1 October 1999	(3,000)	-	(3,000)
Additions		-	
	<hr/>	<hr/>	<hr/>
At 30 September 2000	(3,000)	-	(3,000)
	<hr/>	<hr/>	<hr/>
Loans - net book value	<u>103,408</u>	<u>85,375</u>	<u>188,783</u>

BOC HOLDINGS**NOTES TO ACCOUNTS (CONTINUED)****e) Principal group undertakings and participating interests**

The following is a list of group undertakings and companies in which the company has a participating interest, the results of which, in the opinion of the Directors, principally affect the results and the position of the company.

<u>Subsidiary undertakings</u>		Equity held	
<u>Country of incorporation</u>		%	
Australia	BOC Gases Australia Limited	100	(i)
New Zealand	BOC Gases New Zealand Limited	100	(ii)
South Africa	African Oxygen Limited	55	
United States	The BOC Group Inc.	100	

Participating interests**Country of incorporation**

Mexico	Compania De Nitrogeno De Cantarell S.A de C.V	30	(iii)
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- (i) 20% held indirectly
- (ii) Held indirectly
- (iii) 30% held directly

The equity shares of the companies listed are held either directly or indirectly by BOC Holdings and the shares held are ordinary shares.

All companies are principally involved in the manufacture and supply of industrial and medical gases and/or allied products.

6. DEBTORS

	<u>2000</u>	<u>1999</u>
	£000	£000
Amounts falling due within one year:		
Recoverable ACT	-	18,167
Amounts owed by group undertakings	709	782
Amounts owed by undertakings in which the company has a participating interest	2,021	1,751
	<u>2,730</u>	<u>20,700</u>

BOC HOLDINGS**NOTES TO ACCOUNTS (CONTINUED)****7. CREDITORS**

	<u>2000</u>	<u>1999</u>
	£000	£000
Amounts falling due within one year:		
Amounts owed to group undertakings	223,446	154,550
Amounts owed to undertakings in which the company has a participating interest	3,716	-
Corporation Tax	5,152	5,770
Provisions for Liabilities	-	4,142
Accruals and deferred income	37	85
Bank overdraft	-	6,095
	<u>232,351</u>	<u>170,642</u>

The loans owed to fellow group undertakings are unsecured, interest free and repayable on demand.

8. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up</u>
	<u>2000 & 1999</u>	<u>and fully paid</u>
	£000	2000 & 1999
		£000
Ordinary shares of £1 each	<u>500,000</u>	<u>340,000</u>

9. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	£000	£000
Balance at 1 October	400,213	457,807
Profit for the year	31,544	42,406
Dividend	(52,500)	(100,000)
Balance at 30 September	<u>379,257</u>	<u>400,213</u>

BOC HOLDINGS

NOTES TO ACCOUNTS (CONTINUED)

10. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The company has entered into a Guarantee Trust Agreement with various co-shareholders and creditors of an undertaking in which it has a participating interest, Compania De Nitrogeno De Cantarell SA de CV ('CNC') (see Note 5 e)). Under this agreement certain borrowings of CNC have been secured against the company's equity interest in CNC (see Note 5 b)).

The company's equity investment in CNC at 30 September 2000 is £1.2m.

In addition, the company has entered into a Common Terms and Securities Agreement with co-shareholders and creditors of CNC under which certain borrowings of CNC have been secured against the loans which the company has advanced to CNC (see Note 5 d)).

The total loans due from CNC at 30 September 2000 are £81.9m.

11. OTHER RELATED PARTY TRANSACTIONS

Having considered the requirements of FRS8, Related Party Disclosures, the directors consider that there are no matters to disclose (other than the company's ultimate parent company – see note 12).

12. ULTIMATE PARENT COMPANY

The directors regard The BOC Group plc, a company registered in England and Wales, as the ultimate parent company. Copies of the parent company's consolidated financial statements may be obtained from The Secretary, The BOC Group plc, Chertsey Road, Windlesham, Surrey, GU20 6HJ.