

BOC HOLDINGS

(Registered No: 212945)

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995



BOC HOLDINGS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 1995

The directors present their Report together with the Audited Accounts for the year ended 30 September 1995.

REVIEW OF ACTIVITIES

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

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

The Company's interest in BOC Netherlands Holdings Limited was transferred to The BOC Group plc on 17 February 1995 for a cash consideration of £2, being the market value.

The Company's beneficial interest in BOC Gases Ireland Limited was transferred to BOC Netherlands Holdings Limited on 26 September 1995 for a cash consideration of £57,600,000, being the market value.

DIVIDENDS

The following dividends on the Company's Ordinary shares were paid during the year:

	<u>Date</u>	<u>Amount</u>
First interim	5 December 1994	£20,000,000
Second interim	29 September 1995	£130,000,000

The directors do not recommend the payment of a final dividend for the year ended 30 September 1995.

DIRECTORS

The directors of the Company during the year were:

Mr W E Connell (alternate)	
Mr A P Dyer	
Mr A E Isaac	(appointed 17 October 1994)
Mr F D Rosenkranz	
Mrs G J Stuart	

DIRECTORS (Cont'd)

The directors are not subject to retirement by rotation.

During the year The BOC Group plc, the Company's holding company, maintained liability insurance covering the directors and officers of its subsidiaries including those of the Company.

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 1995. Interests in shares or debentures of The BOC Group plc were as follows:

Name	<u>Ordinary shares</u>		30.9.95	<u>Options over Ordinary shares</u>		1.10.94
	30.9.95	1.10.94		Granted in year	Exercised in year	
W E Connell	1,711	2,755	113,007	15,530	753	98,230
G J Stuart	507	-	89,091	26,061	746	63,776

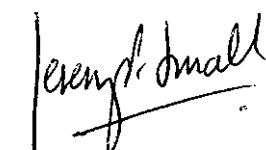
The interests of Mr A P Dyer, Mr A E Isaac and Mr F D Rosenkranz in the shares or debentures of The BOC Group plc are disclosed in that company's accounts.

AUDITORS

Pursuant to section 386(1) of the Companies Act 1985 (as inserted by the Companies Act 1989) the members have dispensed with the obligation to appoint auditors annually and Coopers & Lybrand are 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


J P SMALL
SECRETARY

27 November 1995

BOC HOLDINGS

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 5 to 13.

As described on the following page, the company's directors are responsible for preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1995 and of the profits of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

LONDON
27 November 1995

COOPERS & LYBRAND
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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 1995**

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
INCOME FROM INVESTMENTS			
Dividend income:			
Subsidiary undertakings	2	97,268	38,794
Related undertakings	2	11,974	9,127
Other investments		-	8
		<hr/> 109,242	<hr/> 47,929
Profit on disposal of investment	3	55,321	-
Other interest receivable and similar income	4	12,303	6,050
Interest payable and similar charges	4	(261)	(6,072)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<hr/> 176,605	<hr/> 47,907
Tax on profit on ordinary activities	5	(5,187)	(1,452)
PROFIT FOR THE FINANCIAL YEAR		<hr/> 171,418	<hr/> 46,455
Dividends		(150,000)	(30,000)
RETAINED PROFITS FOR THE FINANCIAL YEAR		<hr/> 21,418	<hr/> 16,455
RETAINED PROFITS AT 1 OCTOBER		29,314	12,859
RETAINED PROFITS AT 30 SEPTEMBER		<hr/> <hr/> 50,732	<hr/> <hr/> 29,314

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 1995**

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
FIXED ASSETS			
Investments	7	499,284	410,100
CURRENT ASSETS			
Debtors	8	6,416	6,487
Cash at bank and in hand		538	2,495
		6,954	8,982
CREDITORS: Amounts falling due within one year	9	(109,671)	(43,933)
NET CURRENT LIABILITIES		(102,717)	(34,951)
NET ASSETS		396,567	375,149
CAPITAL AND RESERVES			
Called up share capital	10	340,000	340,000
Capital reserve		5,835	5,835
Profit and loss account		50,732	29,314
EQUITY SHAREHOLDERS' FUNDS	11	396,567	375,149

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


MR A E ISAAC
Director

27 November 1995

BOC HOLDINGS

NOTES ON FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared under the historical cost convention and comply with all applicable accounting standards.

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. 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) Deferred Tax

Deferred tax is provided on the liability method, in respect of the excess of capital allowances over historical cost depreciation and other timing differences, but not where, in the opinion of the directors, the potential tax liability is unlikely to become payable in the foreseeable future.

e) Group Accounts

The Company is exempt from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary undertaking of The BOC Group plc, and 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 from publishing a cash flow statement.

2. DIVIDEND INCOME**a) Subsidiary undertakings**

	<u>1995</u> £000	<u>1994</u> £000
Listed securities	9,690	9,891
Other	87,578	28,903
	<u>97,268</u>	<u>38,794</u>

b) Related undertakings

	<u>1995</u> £000	<u>1994</u> £000
Other	11,974	9,127
	<u>11,974</u>	<u>9,127</u>

3. EXCEPTIONAL ITEM

On 26 September 1995, the company's beneficial interest in BOC Gases Ireland Limited was transferred to BOC Netherlands Holdings Limited for a cash consideration of £57,600,000 which represents fair value. The profit on disposal of the investment was £55,320,912.

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

	<u>1995</u> £000	<u>1994</u> £000
Interest receivable	2,935	4,236
Other similar income	9,368	1,814
	<u>12,303</u>	<u>6,050</u>

b) Interest payable and similar charges

	<u>1995</u> £000	<u>1994</u> £000
Interest payable	-	-
Other similar charges	(261)	(6,072)
	<u>(261)</u>	<u>(6,072)</u>

5. TAX

The charge for tax is made up as follows:

	<u>1995</u> £000	<u>1994</u> £000
United Kingdom Corporation Tax at 33 % (1994: 33 %)	(48,933)	(26,300)
Advance Corporation Tax offset	10,314	2,900
Relief for overseas taxation	38,141	22,650
	<u>(478)</u>	<u>(750)</u>
Underprovision in previous years	(710)	-
Overseas tax - current year	(3,999)	(702)
	<u>(5,187)</u>	<u>(1,452)</u>

Deferred Tax

	<u>1995</u>		<u>1994</u>	
	Amounts Provided in the <u>Accounts</u> £000	Total Potential <u>Liability</u> £000	Amounts Provided in the <u>Accounts</u> £000	Total Potential <u>Liability</u> £000
Arising from accelerated capital allowances	-	-	-	-
Other timing differences	-	(1,944)	-	(2,140)
	<u>-</u>	<u>(1,944)</u>	<u>-</u>	<u>(2,140)</u>

6. DIRECTORS' EMOLUMENTS

The Directors were employed as officers of The BOC Group plc and remunerated by that Company in respect of their services to the Group as a whole. Their emoluments are dealt with in the accounts of The BOC Group plc.

7. INVESTMENTS

a) Summary

	<u>1995</u> £000	<u>1994</u> £000
Equity investments - net book value	358,598	330,874
Loans to subsidiary and related undertakings	140,686	79,226
Total investments	<u>499,284</u>	<u>410,100</u>

b) Equity investments

	<u>Total</u> £000	<u>Subsidiary</u> <u>Under-</u> <u>takings</u> £000	<u>Related</u> <u>Under-</u> <u>takings</u> £000
Cost:			
At 1 October 1994	351,429	309,907	41,522
Additions	35,951	32,377	3,574
Disposals	(9,567)	(8,228)	(1,339)
Transfers	-	7,977	(7,977)
At 30 September 1995	<u>377,813</u>	<u>342,033</u>	<u>35,780</u>
Provisions:			
At 1 October 1994	(20,555)	(13,932)	(6,623)
Transfers	-	(5,283)	5,283
Applied	1,340	-	1,340
At 30 September 1995	<u>(19,215)</u>	<u>(19,215)</u>	<u>-</u>
Listed investments	16,127	16,127	-
Others	342,471	306,691	35,780
Investments - net book value	<u>358,598</u>	<u>322,818</u>	<u>35,780</u>
Listed investments - market value	<u>453,242</u>	<u>453,242</u>	<u>-</u>

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 subsidiary, related undertakings and other investments is not less than the aggregate of the amounts at which these assets are stated or included in the balance sheet.

7. INVESTMENTS (Continued)

c) Loans to subsidiary and related undertakings

	<u>Total</u> £000	<u>Subsidiary</u> <u>Under-</u> <u>takings</u> £000	<u>Related</u> <u>Under-</u> <u>takings</u> £000
Cost:			
At 1 October 1994	86,090	83,823	2,267
Advances	59,472	1,872	57,600
Repayments	(6,779)	(6,779)	-
Exchange	2,507	2,507	-
At 30 September 1995	141,290	81,423	59,867
Provisions:			
At 1 October 1994	(6,864)	(6,864)	-
Released during the year	6,260	6,260	-
At 30 September 1995	(604)	(604)	-
Loans - net book value	140,686	80,819	59,867

d) Principal subsidiary and related undertakings

The following is a list of subsidiary and related undertakings carrying on business, the results of which, in the opinion of the Directors, principally affected the results and the assets of the Company.

<u>Country of Incorporation</u>	<u>Equity</u> <u>held</u> %
<u>Subsidiary undertakings</u>	
Australia BOC Gases Australia Limited	100 (a)
New Zealand BOC Gases New Zealand Limited	100 (b)
South Africa African Oxygen Limited	58
Singapore Ohmeda (Singapore) Pte Limited	100
United States The BOC Group Inc	100
<u>Related undertakings</u>	
Singapore Singapore Oxygen Air Liquide Pte Limited	50 (b)(c)
Hong Kong Hong Kong Oxygen and Acetylene Company Limited	50 (d)

7. INVESTMENTS (Continued)**d) Principal subsidiary and related undertakings (continued)**

- (a) 20% held indirectly.
- (b) Held indirectly.
- (c) Aggregate capital and reserves at 30 September 1995 £40,009,000
(1994: £35,186,000), profit for the year then ended £12,749,000
(1994: £10,425,000).
- (d) Aggregate capital and reserves at 30 September 1995 £37,020,000
(1994: £26,591,000), profit for the year then ended £13,845,000
(1994: £23,985,000).

Ohmeda (Singapore) Pte Limited is engaged in the manufacture of medical equipment. All other companies are principally involved in the manufacture and supply of industrial and medical gases and/or allied products.

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

8. DEBTORS

	<u>1995</u> £000	<u>1994</u> £000
Amounts falling due within one year:		
Amounts owed by Group undertakings	6,416	6,487

9. CREDITORS

	<u>1995</u> £000	<u>1994</u> £000
Amounts falling due within one year:		
Amounts owed to Group undertakings	107,390	42,222
Other creditors including taxation and social security	2,234	1,588
Accruals and deferred income	47	123
	<u>109,671</u>	<u>43,933</u>

10. SHARE CAPITAL

	<u>Authorised 1995 & 1994</u>	<u>Allotted, called up and fully paid 1995 & 1994</u>
Ordinary shares of £1 each	<u>500,000</u>	<u>340,000</u>

11. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>1995 £000</u>	<u>1994 £000</u>
Balance at 1 October	375,149	358,694
Profit for the year	171,418	46,455
Dividend	(150,000)	(30,000)
Balance at 30 September	<u>396,567</u>	<u>375,149</u>

12. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The company jointly guarantees certain borrowings of a subsidiary undertaking which at 30 September 1995 amounted to £14,210,000 (1994: £16,202,000).

13. 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.