

# Annual Report BOC Healthcare Limited

# 2016



## BOC Healthcare Limited

### Annual report and financial statements for the year ended 31 December 2016

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## Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

### Principal activities and business review

The company is a member of the Linde Group and its ultimate parent company is Linde AG.

Throughout the year under review and the preceding year, the company's principal activity has been the provision of services for another part of the Linde Group, including the supply of oxygen related equipment and services direct to patients. It is envisaged that this will continue to be the company's principal activity for the foreseeable future.

The results for the year are contained in the accompanying profit and loss account on page 6 and show a profit after tax for the financial year of £43,000 (2015: £53,000).

### Directors

The directors who held office during and after the period under review were:

Mr A Harvey  
Ms I Wicker  
Mrs S A Williams

The directors are not subject to retirement by rotation.

### Risks and uncertainties

The company's business faces a number of risks and uncertainties requiring the company to put processes in place to manage, monitor and, where possible, mitigate risks to ensure:

- (a) the success in gaining and executing large projects profitably, the retention of existing major contracts and customers;
- (b) the development of, and access to, technology to support business growth;
- (c) the recruitment, training and retention of key personnel so that new products and services can be successfully commercialised;
- (d) that quality standards are met to avoid the restriction or withdrawal of licenses by the Medicine Board;
- (e) that any adverse impact on the business caused by the current uncertain economic conditions are minimised;
- (f) continuous safe management of operations and equipment; and
- (g) future legislative requirements that may affect the business are met.

The company has access to a dedicated risk management department within the Linde Group.

### Dividend

No interim dividend was paid during the year and the directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

#### Political contributions

The company made no political donations during the year and did not incur any political expenditure during the year.


#### Disclosure of information to auditor

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

#### 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



S K Kelly  
Secretary

5 September 2017

The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England

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## Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws 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; 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 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 BOC HEALTHCARE LIMITED**

We have audited the financial statements of BOC Healthcare Limited for the year ended 31 December 2016 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOC HEALTHCARE LIMITED**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Matthew Wilcox (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

5 September 2017

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**Profit and loss account for the year ended 31 December 2016**

in £ thousands	Note	2016	2015
Turnover	[4]	2,675	2,657
Cost of sales		(2,622)	(2,605)
Profit on ordinary activities before taxation		53	52
Tax on profit on ordinary activities	[6]	(10)	1
Profit / (Loss) for the financial year		43	53

The accompanying notes form an integral part of the financial statements.

All of the above relates to continuing operations.

The company has no other comprehensive income in the year other than that included in the profit and loss account above and therefore no separate statement of other comprehensive income has been prepared.



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**Balance sheet as at 31 December 2016**

in £ thousands	Note	31.12.2016	31.12.2015
<b>Current assets / (liabilities)</b>			
Debtors: amounts falling due within one year	[8]	594	539
Creditors: amounts falling due within one year	[9]	(27)	(15)
<b>Net current assets</b>		<b>567</b>	<b>524</b>
<b>Net assets</b>		<b>567</b>	<b>524</b>
<b>Capital and reserves</b>			
Profit and loss account		567	524
Shareholder's Shareholders' funds		567	524

The financial statements on pages 6 to 14 were approved by the board of directors on **5** September 2017 and were signed on its behalf by:

  
Mrs S A Williams  
Director

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**Statement of changes in equity**


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in £ thousands	Called up share capital	Profit and loss account	Total equity
Balance at 1 January 2016	-	524	524
Profit	-	43	43
Total comprehensive income for the period	-	43	43
Balance at 31 December 2016	-	567	567

in £ thousands	Called up share capital	Profit and loss account	Total equity
Balance at 1 January 2015	-	471	471
Profit	-	53	53
Total comprehensive income for the period	-	53	53
Balance at 31 December 2015	-	524	524

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## Notes to the financial statements for the year ended 31 December 2016

### [1] Accounting policies

BOC Healthcare Limited is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The company's ultimate parent undertaking, Linde AG, includes the company in its consolidated financial statements. The consolidated financial statements of Linde AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Klosterhofstrasse 1, 80331 Munich, Germany.

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;
- disclosures in respect of transactions with wholly owned subsidiaries of the Linde AG Group;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Linde AG include the equivalent disclosures, the company has also applied the exemptions under FRS 101 available in respect of the disclosures required by IFRS 7 Financial Instrument Disclosures.

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## [1] Accounting policies (continued)

### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

### 1.2 Functional currency

The functional currency of BOC Healthcare Limited is sterling and the accounts are prepared using its functional currency, which is the currency of the primary economic environment in which it operates.

### 1.3 Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The company has net current assets and net assets and can therefore support itself for the foreseeable future.

### 1.4 Foreign currency

Transactions in foreign currencies are translated to the company's 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 date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

### 1.5 Classification of financial instruments issued by the company

Following the adoption of IAS 32, 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 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.

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## [1] Accounting policies (continued)

### 1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

### 1.7 Turnover

Turnover, which excludes value added tax and trade discounts, consists of amounts recharged to BOC Limited on a cost plus basis.

### 1.8 Taxation

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

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

Deferred tax is provided on 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.

### 1.9 Employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## [2] Directors' emoluments

The emoluments of the directors are paid by BOC Limited in their roles as managers and directors of BOC Limited.

The allocation of the directors' emoluments in respect of the company is considered to be immaterial.

**[3] Auditor's remuneration**

The remuneration payable in relation to audit services of £3,900 (2015 restated: £3,900) is borne by The BOC Group Limited and is included in the aggregated fees disclosed in the financial statements of The BOC Group Limited.

**[4] Turnover**

The company's turnover of £2,675,000 (2015: £2,657,000) and its operating profits, are derived from the provision of services in the UK.

**[5] Operating profit**

Included in the profit/loss are the following:		
in £ thousands	2016	2015
Staff costs	2,504	2,475
Staff hire	88	96
	<u>2,592</u>	<u>2,571</u>

**[6] Tax on profit on ordinary activities**

in £ thousands	2016	2015
<b>a) Analysis of charge in the year</b>		
Current tax		
UK corporation tax on profit for the year	<u>10</u>	<u>-</u>
<b>b) Factors affecting tax for the year</b>		
The tax assessed for the year is different to the rate of corporation tax in the UK of 20.0% (2015: 20.25%). The differences are explained below.		
Profit on ordinary activities before taxation	<u>53</u>	<u>52</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 20.0% (2015: 20.25%)	<u>11</u>	<u>10</u>
Effects of:		
Adjustment to tax charge in respect of previous year	-	(11)
Group relief for nil consideration	<u>(1)</u>	<u>-</u>
Total tax charge for the year (as above)	<u>10</u>	<u>(1)</u>

**[7a] Employee numbers**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2016	2015
Healthcare		
Average employee numbers during the year	62	62
	<b>62</b>	<b>62</b>

**[7b] Employee costs**

Employee costs:		
in £ thousands	2016	2015
Wages and salaries	2,023	2,003
Social security costs	210	206
Contributions to defined contribution plans	271	266
	<b>2,504</b>	<b>2,475</b>

**[8] Debtors**

in £ thousands	2016	2015
Amounts falling due within one year:		
Amounts owed by group undertakings	592	538
Other debtors	2	1
	<b>594</b>	<b>539</b>

**[9] Creditors**

in £ thousands	2016	2015
Amounts falling due within one year:		
Other creditors	5	5
Corporation tax	22	10
	<b>27</b>	<b>15</b>

**[10] Share Capital**

in £	2016	2015
Authorised		
250,000 ordinary shares of £1 each	250,000	250,000
Allotted and fully paid		
1 ordinary share of £1	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

**[11] Pension scheme****Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £270,865 (2015: £266,252).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**[12] Ultimate parent undertaking and parent company of larger group**

The immediate parent undertaking is The BOC Group Limited.

The ultimate parent undertaking and controlling party of the company is Linde AG, which is registered in Germany.

Linde AG is the smallest and largest group to consolidate these financial statements. Copies of Linde AG's consolidated financial statements can be obtained from that company at Klosterhofstrasse 1, 80331 Munich, Germany.