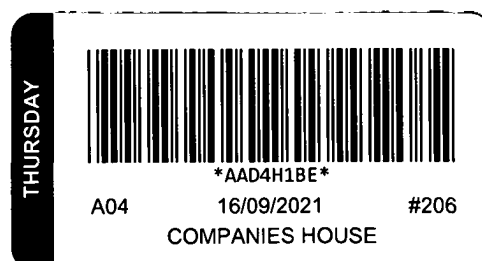


Registered number: 00337663

BOC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



BOC LIMITED

CONTENTS

	Page (s)
Strategic report	1 - 8
Directors' report	9 - 13
Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements	14
Independent auditor's report to the members of BOC Limited	15 - 17
Statement of other comprehensive income	18
Balance sheet	19 - 20
Statement of changes in equity	21
Notes to the financial statements	22 - 50

BOC LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present the strategic report for the company for the year ended 31 December 2020.

Review of the company's business and principal activities

The company is a member of the Linde plc group ("Linde Group") and its ultimate parent company is Linde plc.

The company produces and supplies gases to a wide range of industries. The company's principal activity is and has been throughout the current and preceding year the bulk supply of liquefied gases, the design, installation, operation and maintenance of air separation and gas production plants, ancillary equipment and the manufacture, distribution and sale of industrial, medical and special gases. It is envisaged that this will continue to be the principal activity of the company for the foreseeable future. In addition to the production and supply of industrial gases, the company is also engaged in the design and implementation of processes that utilise gases in various sectors, including the healthcare and food industries.

Performance of the company's business during the financial year

Despite the uncertainty of the UK economy regarding Brexit the material downturn did not materialise due to a last minutes trade deal, it was instead replaced by the global economic downturn as a result of Covid-19. Overall Turnover decreased by 4% to £751.8m (2019: £780.9m). Despite this demand for bulk merchant gases increased by 1% offset by a 10% decrease in demand for packaged gases driven by the closure of the hospitality sector during 2020. Healthcare demand grew by 7% driven by one off hospital needs. Power and Natural Gas costs continued to be monitored on a daily bases as well as the wider supply chain.

Key performance indicators

The directors continue to monitor the company's various key performance indicators (KPIs) and the company specific measures in order to gauge the company's financial position against annual targets.

The company's key financial measure of profitability is Operating Profit which increased to £198.4m in 2020, compared with £166.4m in 2019. Operating profit as a percentage of sales increased slightly to 26.4% during the year, from 21.6% in 2019. Return on capital employed (RoCE) increased to 42.7% compared with 33.9% in 2019.

	2020 £M	2019 £M
Operating profit	198.4	166.4
Add back	-	-
Depreciation	75.7	83.6
Amortisation	0.4	0.7
	-	-
Adjusted EBITDA	274.5	250.7

	2020 £M	2019 £M
Operating profit	198.4	166.4
Turnover	751.8	780.9
Operating profit % over turnover	26.4%	21.6%

BOC LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £M	2019 £M
Operating profit plus pension contributions (a)	198.4	166.4
Tangible assets (b)	465.4	490.0
Return on Capital Employed (a/b)	42.7%	33.9%

Other business matters

The BOC Group defined pension scheme has a net pension liability of £482,500,000 (2019: liability £333,900,000). Following an agreement between Linde GmbH and the trustees of the BOC Group pension schemes in August 2006, the company has contributed a cumulative total of £513,297,000 (2019: £513,297,000) to its defined benefit pension schemes. Total additional contributions paid during the year amounted to £nil (2019: £nil). The company will make further additional contributions each year as required. The company does not recognise the pension assets or liabilities in accordance with FRS 101 but these are provided in the financial statements of The BOC Group Limited.

Position of the company's business at the year ended 31 December 2020

As at 31 December 2020 the company held net current assets of £123,200,000 (2019: £329,100,000) and net assets of £502,400,000 (2019: £663,300,000).

Objectives and strategies

The company's strategy is aligned to Linde's vision to be the best performing global industrial gases and engineering group, where our people deliver innovative and sustainable solutions for our customers in a connected world making our world more productive.

The company remains committed to achieving its Vision 2020 strategy. Whilst continuing to meet shorter term targets the company is implementing a number of programmes that will provide firm foundations for future longer term growth.

Safety remains a key priority with ongoing programmes which include manual handling, behavioural safety, process safety and driver safety.

Markets

The majority of the company's business is located in the United Kingdom. A geographical breakdown of the company's turnover is provided by note 2 to the financial statements on page 28.

Research and development activities

The company continues its research and development activities in order to maintain its leading position and to seek new opportunities through both business development and innovation in the markets in which it operates. The company also benefits from research and development activities conducted by other companies within the Linde Group.

BOC LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Risks and uncertainties

The principal risks and uncertainties facing the company include, but are not limited to:

- a) maintaining sales volumes and cost efficiencies in the onsite sector;
- b) a slow down in the UK and worldwide economy, causing manufacturing sector closures and reduced investment following the UK exit from the European Union;
- c) the success in winning, executing and commercialising new projects;
- d) uncertainty regarding the impact of Brexit as detailed below;
- e) increased energy costs; and
- f) uncertainty concerning future energy policy that could negatively impact the company's costs and business model.

The company has processes in place to manage, monitor and, where possible, mitigate these risks including, for example, access to a dedicated risk management department within the Linde Group.

The United Kingdom ("UK") formally left the European Union ("EU") on 31 January 2020 ("Brexit") and trade between the UK and EU was subject to a transition period ending on 31 December 2020. New trading rules came into effect from 1 January 2021. These changes will initially pose potential financial risks to our market and therefore to our business. However, any potential impact of Brexit will, to some extent, be mitigated by the fact that the majority of our products are produced in the UK for UK customers. The small number of products imported from mainland Europe and non-EU countries come through a well-established process and robust supply chain. To the extent possible, the company has put contingency plans in place to mitigate such 'Brexit' risks.

The directors acknowledge the current outbreak of Covid-19 and its impact on the economy and regions in which the company operates. Whilst the directors continue to monitor this risk, as at the date of these financial statements, there is no adverse material impact on the company's activities and the financial position of the company remains positive.

BOC LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

S172 Companies Act 2006 Statement

This report sets out how the directors of BOC Limited (the “company”) (together the “Board”), and the Board's senior management team of which the directors are members (“RLT”) has complied with the requirements of section 172 Companies Act 2006 and how these requirements have impacted their decision making during 2020.

The Board and RLT recognise the importance of stakeholder engagement in delivering the long-term and sustainable success of the company. When making decisions, particularly of a strategic nature, the directors have regard to the likely long-term impact of those decisions and also their responsibilities and duties to stakeholders.

The company's key stakeholders are its ultimate parent company, Linde plc, the company's employees, customers, suppliers, the communities in which it operates and the environment. Views of stakeholders are gained by the directors and RLT members and inform the decisions made in RLT meetings. The stakeholders are impacted by, or benefit from, decisions made by the directors and the Board and RLT in different ways.

Board and RLT members receive training on their duties, and this is refreshed on an ongoing basis as necessary.

The following section outlines how the company engages with, and has regard to, each of its stakeholder groups and the key decisions made during 2020.

Linde Plc

We maintain regular dialogue with our ultimate parent company, Linde Plc, through regular meetings and monthly reporting to ensure that the company and its operations remain aligned with the Linde plc group strategy and to inform on all aspects of the company's performance, delivery of strategy, material initiatives and company news.

Employees

People are our most important asset. Our employees are key to our vision of working in long-term partnership with our customers to making our world more productive, and to delivering a consistent, high quality robust delivery for our products and services.

The strategic priorities of the RLT during 2020 were strongly influenced by the Covid-19 pandemic. This included ensuring the health, wellbeing and safety of employees and their families, customers and the local community. In line with government advice, employees were instructed and equipped to work from home and, where this was not possible, the company employed social distancing and other comprehensive health and safety measures to ensure that the supply of the company's products and services, in particular, to the healthcare and food sectors, could continue.

During the year under review, Covid-19 support mechanisms were introduced for its employees, including self-isolation pay, furlough for extremely vulnerable employees and for those workgroups with reduced demand. Enhancements were also added to the company's employee health support provision through the introduction of a new employee assistance partner.

The RLT's ongoing priorities across the workforce include:

- Communication and collaboration
- Personal development
- Diversity and inclusion
- Integrity and compliance
- Community engagement

BOC LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020, a number of initiatives were progressed in support of these priorities, including the development of BOC's diversity and inclusion plan, the introduction of conscious inclusion training, the launch of a new eLearning platform and the delivery of development training programmes to improve the capabilities of our people: the Future Manager Programme to prepare our high-potential employees for a line management role, the Emerging Leader Programme to further develop the skills and competencies of our exceptional leaders, and the new Inspiring Leadership Programme designed to develop agile, resilient and transformative leaders.

Safety of BOC's employees (and other stakeholders) are reviewed as a standing item at each RLT meeting, with a rolling safety programme targeting attitude, behaviours and specific risk workstreams.

The RLT regularly communicates and engages with its employees, through regular internal employee and line manager emails, informal virtual sessions, quarterly business briefings, intranet updates and circulation of printed material for site notice boards.

An annual anonymous employee pulse survey is undertaken to allow colleagues to provide honest feedback and highlight areas for improvement. During 2020, more regular check-in surveys were issued, tailored around Covid-19, to assess employee well-being and understanding of Covid-19 protocols. The RLT reviewed and undertook targeted local and companywide action in response to survey findings where required and took into consideration output and suggestions from all surveys.

Regular site visits from the RLT ensures that everyone has the opportunity to ask questions, offer support and understand how their role influences the success of the business. During Covid lockdown periods, visits to the sites were limited to essential movement only in line with government guidance. Direction and support continued to be provided from the RLT through regular calls and alternative methods of on-line and virtual communication.

Customers

BOC supplies gases to customers from a wide range of industries, including healthcare, hospitality, food processing, chemical processing, refining and electronics.

Members of the RLT and senior managers are in regular communication with key customers and ensure their views and plans are reflected and fed into the planning and decision making process.

Suppliers

Communications with key suppliers are ongoing, to review performance and ensure there is a fair value proposition for both parties.

Pension Scheme Trustees

Meetings are held with the trustees of our pension scheme. The company shares, and invites comments from the scheme trustees, where relevant on employee pension related communications.

Community

BOC commitment to community is comprised of two philanthropic programmes – Global Giving and Community Engagement – which support initiatives that make important and sustainable contributions to our world. Global Giving is a charitable donations programme that includes all donations and in-kind gifts made by the business. The Community Engagement programme includes corporate-led or employee-led volunteering initiatives that solve or address community problems and benefit the communities we live in. BOC supports all employees who wish to get involved and provide volunteering work within the community or for charitable organisations.

Our volunteering programme encourages employees to engage in community engagement initiatives and to take part in volunteering activities that serve our communities, from organising fundraising events to volunteering their time to support those in need. The Secret World of Gases (SWoG) programme has been running since 2018 and aims to engage, inspire and involve school-age children with the science of gases to help build the next generation of engineers and scientists.

During 2020 there were limited opportunities to run activities due to Covid-19 restrictions. However, the company gifted old oxygen concentrators to Medical Aid International which were refurbished and sent to countries most in need. Through the year, our employees continued with their charitable giving, volunteering and

BOC LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

fundraising events at a local and individual level, supported by BOC's Matched Giving scheme.

Local volunteering and charitable activities are frequently reported across company-wide communication channels.

Environment:

The Board and RLT recognises the impact certain decisions can have on the environment in which BOC operates. Further information concerning the company's activities in this area can be found under the Environment and Sustainability section of the Directors' Report.

Corporate Governance

For the year ended 31 December 2020, under The Companies (Miscellaneous Reporting) Regulations 2018, BOC Limited (the "company") complied with the Wates Corporate Reporting Principles for Large Private Companies, published by the Financial Reporting Council in December 2018 and available on the FRC website. BOC Limited, is a subsidiary of its ultimate parent undertaking, Linde plc, and as such, elements of its corporate governance framework are set and managed by Linde plc.

BOC Limited, is managed by a statutory board of directors (the "Board") and a Management Committee (the 'RLT'). BOC Limited's day to day corporate governance arrangements are managed by the RLT and these apply collectively across most UK operating entities within the Linde UK group.

Corporate governance

We have set out below how the Board and RLT has complied with the principles over the past financial year and highlighted where we follow the Linde plc Group corporate governance framework.

Principle 1 – Purpose and Leadership

The Linde plc board believes that the 'tone at the top' drives the supporting culture throughout the organisation. BOC Limited operates by and promotes Linde plc's core values of Safety, Integrity, Accountability, Inclusion and Community which defines our vision, purpose and expected behaviours ("Values").

The Linde plc group's code of business integrity, anti-corruption policy and programme of compliance training has been cascaded across all its entities worldwide and all employees are trained as part of their initial induction and receive refresher training.

The Linde plc group's Values are embedded in our operations and influences the way we carry on our business, from the selection, management and reward of our employees, through to regular top down communications and bottom-up feedback channels.

Board members and the RLT receive feedback from senior management within the Linde plc group. Company policy follows the Linde Values in encouraging consultation with employees on matters of concern to them. In addition, communications with individual employees is achieved through one-to-one meetings, employee surveys, e-mail communication and personal appraisal sessions, and collectively through business briefings, information bulletins, briefing meetings or sessions with senior management and participation on forums, safety committees and trade union negotiating committees.

Employee engagement ensures that the RLT can monitor the levels of visibility and understanding of the purpose, direction and culture of the business.

Principle 2 – Board Composition

During 2020, the BOC Limited statutory board included the UK Business President and senior members of the finance and legal functions, supported by its company secretary.

BOC LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Board meetings are convened to consider corporate, statutory and material transactions. For all Board meetings, a chair is elected at the beginning of each meeting and formal procedures are followed with respect to supporting papers and approvals in line with best practice and Companies Act requirements.

Directors update their skills, knowledge and familiarity with all operational, legal and regulatory requirements through briefings from functional heads and subject matter experts, and attend training as required.

The RLT, consisting of Board members and members of senior operational management, is instrumental in setting, and responsible for managing, the business strategy in line with the wider strategies set by Linde plc. The size and composition of the Board and RLT is considered appropriate given the nature of the company and its position within the Linde plc group.

The RLT is chaired by the UK Business President and provides a constructive forum to provide an update on business issues and risks, oversight across operational matters and to make informed decisions.

There are no independent non-executive members on the Board or RLT. However, given that BOC Limited is a subsidiary within the Linde plc group, we believe there is a sufficient level of independent challenge and rigorous review by the parent company over the strategy, approach and decision making process within the company.

The Board and RLT remain committed to making BOC Limited an ever-more inclusive environment which should increase diversity over time at the most senior levels.

Principle 3 – Directors' responsibilities

Each member of the Board and RLT has a clear understanding of their accountabilities and responsibilities. New members appointed to the Board and RLT are briefed on their specific responsibilities and are supported by existing Board and RLT members, and also benefit from the ongoing support of the legal and company secretarial functions

Board meetings are held as required to meet statutory, legal and corporate governance obligations.

The RLT schedules regular monthly meetings, plus ad-hoc additional days for strategic planning and other focus areas. During 2020, weekly RLT meetings were held to address and proactively manage the impact of, and BOC's response to, the COVID-19 pandemic.

The RLT receives monthly reports, as part of a monthly standing agenda that includes key commercial and operational performance reporting, financial and safety information. As part of the monthly meeting, the RLT reviews all key aspects of the business including safety, business operational and financial performance, people and areas of strategic importance.

Principle 4 – Opportunity and Risk

The Company seeks new business opportunities whilst mitigating risk.

Opportunity

Long term strategic opportunities are captured as part of each business area's planning and horizon scanning process and is factored into a strategic and financial planning process. The Linde plc group actively works to define industry trends, such as hydrogen mobility, and works to direct and align activity that supports these trends in individual operating companies.

Short term opportunities are managed by each business area with senior management and RLT members and may be subject to wider group controls and approvals, dependent upon the size and nature of the opportunity.

Risk

Principle risks, their impact and associated mitigating actions are reviewed by the UK Internal Audit Committee ("UKIAC") on a quarterly basis and submitted through the Linde plc group-wide risk management system. The UKIAC includes members of the Board, key members of the RLT and senior management.

BOC LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The company's principal risks and mitigations are outlined in the company's risk register and a summary is provided in the strategic report. A list of emerging risks are managed by the UK Business President. An emerging risk is included on the principal risk register once its likelihood and impact of occurrence becomes material to the company's business.

An internal control framework is embedded throughout the company's and Linde's UK operations and includes the delegation of authorities, processes, procedures and structures for the wider Linde plc group. These assist management and ultimately, the Board to achieve its objectives and helps to ensure that the company's business conduct is ethical and the company's assets, including its people and brand, are safeguarded. The framework also ensures that BOC Limited's financial reporting is reliable and that the company remains compliant with applicable laws and regulations.

Linde's internal audit function also carries out a series of audits against BOC's information management system protocols, to ensure a level of compliance over key safety and operational legal standards.

Comprehensive and detailed financial reporting is reviewed by the RLT on a monthly basis.

Principle 5 – Remuneration

The remuneration framework and structure for Linde's UK group is aligned to the long-term sustainable success of the Linde plc group which is set by Linde plc's compensation committee or as set out in national trade union agreements.

The Linde plc remuneration framework is set by the Linde plc Compensation Committee. The Compensation Committee's charter can be viewed under:

<https://www.linde.com/-/media/linde/merger/documents/corporate-governance/compensation-committee-charter.pdf>

The remuneration of the company's directors are disclosed in the notes to the financial statements.

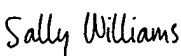
Our annual gender pay gap report is published on our website under <https://www.boconline.co.uk/en/about-boc/boc-policies-and-processes/gender-pay-gap-report/index.html>.

Principle 6 – Stakeholder relationships and engagement

The Board and RLT recognises the impact its decisions can have on its internal and external stakeholders and understands the importance of fostering effective engagement with its stakeholders, including its suppliers, customers, employees, and the community in which the company operates.

Further information on the company's stakeholders and its engagement methods can be found under the S172 section in the Strategic Report, published on our website under <https://www.boconline.co.uk/en/about-boc/boc-policies-and-processes/section-172-statement/index.html>.

This report was approved by the board of directors on 10 September 2021 and signed on its behalf by:-

DocuSigned by:

6A86C9516DBE4EF...

Mrs S A Williams
Director

BOC LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

Directors

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

Mr J M Bland (alternate director to Mrs S A Williams)
Mr C J Cossins
Mr J Mercer (appointed 5 January 2021)
Mr J M Panikar (resigned 31 December 2020)
Mr B Patterson
Mrs S A Williams

The directors are not subject to retirement by rotation.

Dividends

Interim dividends of £320,000,000 in aggregate were paid on the company's ordinary shares during the year ended 31 December 2020 (2019: £120,000,000).

Final dividends of £nil in aggregate were paid on the company's ordinary shares during the year ended 31 December 2020 (2019: £nil).

Political and charitable contributions

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

Principal risks and uncertainties

The directors acknowledge the current outbreak of Covid-19 and its impact on the economy and regions in which the entity operates. The directors have concluded that there are currently no material uncertainties that could cast significant doubt over the company's ability to continue as a going concern.

The forecasts are dependent on the company's ability to draw on its cash balances on demand. The company places its cash on deposit with Praxair International Finance Unlimited Company, a fellow subsidiary of the company's ultimate parent undertaking Linde plc. Under the terms of the deposit agreement between the company and Praxair International Finance Unlimited Company, the company is able to withdraw its cash balances without restriction and on demand. The directors acknowledge that Praxair International Finance Unlimited Company also holds similar deposits and agreements with other entities within the wider Linde Group and as a result the directors do not have visibility of Praxair International Finance Unlimited Company's ability to repay the company's cash balances on demand in downside scenarios from its own assets. However, Linde Finance B.V., another subsidiary of the Linde plc Group, has access to a \$5bn overdraft facility which expires on 26 March 2024 and which is undrawn at the time of signing of these financial statements as well as a guarantee (the "Guarantee") from Linde plc over its third party creditors. These facilities are substantially in excess of Praxair International Finance Unlimited Company's obligations to Linde Group companies for cash balances placed on deposit and as a result the directors have concluded that Praxair International Finance Unlimited Company would be able to repay the company's cash balance on demand throughout the forecast period. In making this assessment, the directors have also considered Linde plc's ability to provide the Guarantee and have concluded that Linde plc has the intent and ability to do so.

BOC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Environmental and sustainability reporting

The company continues to participate in the European Union Emissions Trading Scheme and the UK Climate Change Agreement Scheme for its relevant sites and processes. In addition to these schemes, BOC is now an active participant within phase II of the CRC energy efficiency scheme (formerly the "carbon reduction commitment").

Further to its CRC participation, the company has fully complied with the Energy Savings Opportunity Scheme.

All cylinder filling sites in Great Britain are certified to ISO 14001. Internal, external and regulatory audits continue to provide assurance with no major corrective actions raised.

BOC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Streamlined Energy and Carbon Reporting (SECR)

In accordance with the disclosure requirements for large unquoted companies under the Companies Act 2006, the table below shows the company's SECR disclosure across Global GHG Protocol Scope 1 (Gas & Transport) & Scope 2 emissions (electricity) and elements of scope 3 such as certain business travel for the financial year.

	2020 UK & Offshore Mandatory
Total Energy consumption used to calculate emissions (kWh)	1,729,264,118
Emissions from combustion of gas: teCO ₂ e (Scope 1)	40,587
Emissions from combustion of fuel for transport purposes: teCO ₂ e (Scope 1)	20,663
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel: teCO ₂ e (Scope 3)	446
Emissions from purchased electricity: teCO ₂ e (Scope 2, location-based)	332,548
Total gross teCO ₂ e based on above (Electricity scope 2, location-based)	394,244
Intensity Ratio: teCO ₂ /EBITDA (£) (Electricity scope 2, location-based)	0.001572573
Total gross teCO ₂ e based on above (Electricity scope 2, market-based factor)	61,696
Additional Intensity Ratio: teCO ₂ /EBITDA (£) (Electricity scope 2, market-based factor)	0.000246095

The methodology used to calculate our emissions is based on guidance as per HM Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. March 2019 (Updated Introduction and Chapters 1 and 2) and HM Government Greenhouse gas reporting: conversion factors 2020.

BOC Limited is actively engaged in activities to reduce environmental impacts, it seeks to reduce the impacts on the environment due to its own processes and those due to more general human activity. Our aims are as follows:

- Minimise waste
- Increase recycling
- Improve energy efficiency and reduce energy use

The following have been implemented for the purpose of increasing business energy efficiency in the relevant financial year

- Motor replacement with high efficiency versions
- LED lighting replacement
- Advanced process control on ACU plants to improve efficiency
- Improved scheduling software to improve delivery efficiency
- Review of production locations to minimise trunking distances
- Replacement of compressor coolers to improve efficiency and decrease energy consumption
- Replacement of process control systems to improve operability and efficiency on ASU/ Hyco plants.

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years. They consider that the next year will show a stable performance under challenging UK economic conditions despite the potential impact of Brexit and the ongoing Covid-19 pandemic.

BOC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Employee involvement

Company policy follows that of the ultimate holding company, Linde plc, in encouraging consultation with employees on matters of concern to them.

Communication with individual employees is achieved through team briefings, one to one briefing sessions on specific issues, regular activity and performance meetings, personal appraisal sessions and collectively, through company regular management electronic bulletins, videos, information shares on screen in company sites and other such publications as well as representatives attending briefing meetings with senior management and participating on consultation forums, safety committees and trade union negotiating committees. The Linde Group has a European Works Council comprising representatives from the workforce of the Linde Group's businesses in its European countries.

Disabled persons

The company's employee recruitment practices give full consideration to job applications from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Encouragement is given in the training, career development and promotion of all employees according to the opportunities available, organisational requirements and individual aptitudes and abilities. This policy includes disabled employees for whom any further necessary training is arranged, taking account of their particular needs, any reasonable adjustments and the resources required to meet them.

The company continues to support employees who have become disabled during their employment with the company. The aim is to maintain their pre-disability position.

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 auditors are 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 are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

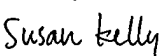
Independent auditors

On 27 April 2021, KPMG LLP resigned as auditors of the company and the directors approved the appointment of PricewaterhouseCoopers LLP as auditors of the company from 12 May 2021.

BOC LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board of directors on 10 September 2021 and signed on its behalf by:

DocuSigned by:

9FEE590F7FFF47A...

S K Kelly
Secretary

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

BOC LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the strategic report, 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, other than new policies have been adopted;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprise FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

The directors are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOC LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BOC Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of profit and loss and other comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOC LIMITED (CONTINUED)

Reporting on other information (continued)

Strategic report and the Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety (including safety of gases produced) and compliance with both Companies Act and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of financial reporting through the passing of journals. Audit procedures performed by the engagement team included:

- Enquiring with management and those charged with governance around actual and potential litigation and claims
- Enquiring with Finance, Tax, Environment, Health and Safety and Risk Management staff to identify any instances of non-compliance with laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and performing unpredictable audit procedures focused on review of large supplier contracts and duplicate additions to assets
- Reading minutes of board of director meetings
- Reviewing financial statement disclosures and testing to supporting documentation

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOC LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
10 September 2021

BOC LIMITED

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £M	2019 £M
Turnover	2	751.8	780.9
Cost of sales		(382.3)	(426.1)
Gross profit		369.5	354.8
Distribution costs		(137.8)	(146.0)
Administrative expenses		(33.3)	(42.4)
Operating profit	3	198.4	166.4
Interest receivable and similar income	7	4.6	5.0
Interest payable and similar expenses	7	(0.5)	(1.9)
Non-operating (loss)/ income		(0.6)	1.5
Profit before tax		201.9	171.0
Tax on profit	8	(42.8)	(20.7)
Profit for the financial year		159.1	150.3
Total comprehensive income for the year		159.1	150.3

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

BOC LIMITED
REGISTERED NUMBER: 00337663

BALANCE SHEET
AS AT 31 DECEMBER 2020

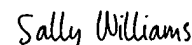
	Note	2020 £M	2019 £M
Fixed assets			
Goodwill	12	1.3	1.8
Intangible assets	10	0.8	1.2
Tangible assets	13	465.4	490.0
		<u>467.5</u>	<u>493.0</u>
Current assets			
Stocks	14	32.2	35.8
Debtors: amounts falling due after more than one year	15	1.3	-
Debtors: amounts falling due within one year	15	339.0	666.8
Cash at bank and in hand		0.4	1.8
		<u>372.9</u>	<u>704.4</u>
Creditors: amounts falling due within one year	16	(249.7)	(375.3)
Net current assets		<u>123.2</u>	<u>329.1</u>
Total assets less current liabilities		<u>590.7</u>	<u>822.1</u>
Creditors: amounts falling due after more than one year	16	(44.3)	(116.9)
		<u>546.4</u>	<u>705.2</u>
Provisions for liabilities			
Deferred taxation	21	(19.0)	(17.3)
Provisions for liabilities	22	(25.0)	(24.6)
		<u>(44.0)</u>	<u>(41.9)</u>
Net assets		<u><u>502.4</u></u>	<u><u>663.3</u></u>
Capital and reserves			
Called up share capital	23	210.0	210.0
Share premium account		2.7	2.7
Revaluation reserve		5.6	5.6
Profit and loss account		284.1	445.0
		<u>502.4</u>	<u>663.3</u>

BOC LIMITED
REGISTERED NUMBER: 00337663

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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

The financial statements were approved by the board on 10 September 2021 and were signed on its behalf by:-

DocuSigned by:

6A86C9516DBE4EF...

Mrs S A Williams
Director

BOC LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£M	£M	£M	£M	£M
At 1 January 2020	210.0	2.7	5.6	445.0	663.3
Profit for the year	-	-	-	159.1	159.1
Dividend	-	-	-	(320.0)	(320.0)
At 31 December 2020	210.0	2.7	5.6	284.1	502.4

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£M	£M	£M	£M	£M
At 1 January 2019	210.0	2.7	5.6	415.9	634.2
Profit for the year	-	-	-	150.3	150.3
Adjustments on initial application of IFRS 16	-	-	-	(1.2)	(1.2)
Dividend	-	-	-	(120.0)	(120.0)
At 31 December 2019	210.0	2.7	5.6	445.0	663.3

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

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies

BOC Limited is a private company limited by shares, incorporated, domiciled and registered in the United Kingdom, registered number 00337663 and with its registered address The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

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

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

The financial statements apply the recognition, measurement and presentation requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"), make amendments where necessary in order to comply with the Act and sets out below where advantage of the FRS 101 disclosure exemptions have been taken.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions were taken when the company transitioned to FRS 10 in 2015:

- Business combinations - Business combinations that took place prior to 1 January 2014 have not been restated;
- Share based payments - IFRS 2 is being applied to equity instruments that were granted after 7 November 2002 and that had not vested by 1 January 2014.

The company's ultimate parent undertaking, Linde plc, includes the company in its consolidated financial statements. The consolidated financial statements of Linde plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its principal trading address, at The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

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 and intangible assets;
- disclosures in respect of transactions with wholly owned members of the Linde Group;
- 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.

As the consolidated financial statements of Linde plc include the equivalent disclosures, the company has also applied the exemptions under FRS 101 available in respect of the following disclosures:

- measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures;
- certain disclosures required by IFRS 13 Fair Value Measurement.

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Those judgements made by the directors, in the application of these accounting policies, that have significant effect on the financial statements and those estimates with a significant risk of material adjustment in the next year are discussed in note 20.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 and financial instruments classified as fair value through the profit or loss, and liabilities for cash-settled share-based payments. 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 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 assets and net current assets and can therefore support itself for the foreseeable future.

The directors acknowledge the current outbreak of Covid-19 and its impact on the economy and regions in which the entity operates. The directors have concluded that there are currently no material uncertainties that could cast significant doubt over the company's ability to continue as a going concern.

The forecasts are dependent on the company's ability to draw on its cash balances on demand. The company places its cash on deposit with Praxair International Finance Unlimited Company, a fellow subsidiary of the company's ultimate parent undertaking Linde plc. Under the terms of the deposit agreement between the company and Praxair International Finance Unlimited Company, the company is able to withdraw its cash balances without restriction and on demand. The directors acknowledge that Praxair International Finance Unlimited Company also holds similar deposits and agreements with other entities within the wider Linde Group and as a result the directors do not have visibility of Praxair International Finance Unlimited Company's ability to repay the company's cash balances on demand in downside scenarios from its own assets. However, Linde Finance B.V., another subsidiary of the Linde plc Group, has access to a \$5bn overdraft facility which expires on 26 March 2024 and which is undrawn at the time of signing of these financial statements as well as a guarantee (the "Guarantee") from Linde plc over its third party creditors. These facilities are substantially in excess of Praxair International Finance Unlimited Company's obligations to Linde Group companies for cash balances placed on deposit and as a result the directors have concluded that Praxair International Finance Unlimited Company would be able to repay the company's cash balance on demand throughout the forecast period. In making this assessment, the directors have also considered Linde plc's ability to provide the Guarantee and have concluded that Linde plc has the intent and ability to do so.

Consequently, the directors have reasonable expectation 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 on a going concern basis.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.3 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. 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. 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 except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

1.4 Adoption of new and revised standards

There are no amendments to accounting standards that are effective for the year ended 31 December 2020 that have a material impact on the company's financial statements.

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'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.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.6 Leases

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. (IFRS 16).

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the company financial statements for each lease component separately from the non-lease components. The company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise,
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, to the extent that the right of use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The company presents right of use assets that do not meet the definition of investment property in

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.6 Leases (continued)**

'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

The company has elected not to recognise right of use assets and lease liabilities for lease of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.7 Intangible assets and goodwill*Goodwill*

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment.

Other intangible assets

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.9 Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting, at the discounting rate of 0.4%, the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

In the case of provisions for site restoration obligations, an estimate is made, based on past experience, of future costs expected to be incurred to dismantle plants and restore the land on which the plant was built to its original condition. The expected costs are reassessed on an annual basis and the amount of the provision is adjusted if required.

1.10 Contingent liabilities

Contingent liabilities are disclosed where a possible obligation dependent on uncertain future events exist as at the end of the reporting period or a present obligation for which payment either cannot be measures or is not considered to be probably is noted. Contingent liabilities are not accrued for and no contingent liability is disclosed where the possibility of payment is considered to be remote.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.11 Impairment excluding stocks, investment properties 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 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss in respect of goodwill is not reversed if and only if the reasons for the impairment have ceased to apply.

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.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.12 Turnover**

Turnover is based on the invoiced value of the sale of goods and services. It excludes sales between lines of business, VAT and similar sales-based taxes. Turnover for goods and services is recognised when the significant risks and rewards of ownership are transferred to the customer. This is determined to be when delivery has occurred, title of the goods has passed to the purchaser, and where the price is fixed or determinable and reflects the commercial substance of the transaction. Sales returns are not a significant business issue in the industries in which the company operates.

Where the revenue for rendering of services covers more than one financial accounting period, the company will only recognise the revenue that has been earned in that period. This is measured by reference to the individual contracts with customers.

Turnover is recognised in accordance with IFRS 15's principle-based five-step model as follows:

- contract with a customer is identified;
- contract performance obligations are identified;
- transaction price is determined;
- transaction price is allocated to each performance obligation; and
- upon satisfaction of each performance obligation the turnover is recognised.

1.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.14 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

Freehold property	2-4%
Leasehold property (or at higher rates based on the life of the lease)	2-4%
Plant and machinery	3-10%
Cylinders	4-10%
Fixtures and fittings	10-20%
Motor vehicles	7-20%
Computer hardware and major software	15-25%

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

According to IFRIC 4 determining whether an arrangement contains a lease, if specific criteria are met, certain arrangements should be accounted for as leases that do not take the legal form of a lease. The company has certain gas supply contracts that are classified as embedded leases if fulfilment of the arrangement depends upon a specific asset and if the gas customer obtains substantially all the production capacity of the asset.

If an embedded lease exists, the criteria set out in IFRS 16 leases are used to examine in each individual case whether, under the gas supply contract, substantially all the risks and rewards incidental to ownership of the plant have been transferred to the gas customer. The first step in the review process is to separate that portion of the gas supply contract which relates to the embedded lease from the rest of the contract. Then it is established whether the minimum lease payments thus identified amount to substantially all the fair value of the plant and whether the minimum lease term is for the major part of the plant's economic life. Any other clauses in the agreement, especially those relating to the transfer of ownership, the acquisition or the extension of the lease term, are also examined for their impact on the transfer of risks and rewards incidental to ownership of the plant. If these review procedures establish that a gas supply contract contains a finance lease component, the investment in the plant is derecognised and the resulting receivable is disclosed under finance lease receivables.

1.15 Income

Interest income is recorded on an accruals basis.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.16 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using effective interest rate method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

1.17 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.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.18 Share-based payments

Share-based payment transactions

Share-based payment arrangements in which the company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

The company took advantage of the option available in IFRS 1 to apply IFRS 2 only to equity instruments that were granted after 7 November 2002 and that had not vested by 1 January 2014.

Where the company's parent grants rights to its equity instruments to the Linde Group's or the company's employees, which are accounted for as equity-settled in the consolidated financial statements of the parent, the Linde Group or the company (as the case may be) account for these share-based payments as equity-settled.

1.19 Non-derivative financial instruments

Non-derivative financial instruments comprise 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.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.20 Derivative financial instruments and hedging**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

1.21 Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.22 Employee benefits*Defined contribution plans*

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.

Defined benefits plans

The company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is another member of the Linde Group. The company then recognises a cost equal to its contribution payable for the period. The contributions payable by the participating entities are determined on the following basis: as a set percentage based on the pensionable earnings of each individual member. The company may, from time to time, make additional contributions to the defined benefit plan, on an adhoc basis.

1.23 Revaluation reserve

In the past, the revaluation model had been used to measure land and buildings. The cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses had been included in the revaluation reserve.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Turnover

An analysis of turnover by class of business is as follows:

	2020	<i>2019</i>
	£M	<i>£M</i>
Sale of goods	440.7	<i>485.9</i>
Rendering of services	311.1	<i>295.0</i>
	751.8	<i>780.9</i>

Analysis of turnover by country of destination:

	2020	<i>2019</i>
	£M	<i>£M</i>
United Kingdom	740.2	<i>764.4</i>
Rest of Europe	10.2	<i>11.5</i>
Rest of the world	1.4	<i>5.0</i>
	751.8	<i>780.9</i>

3. Operating profit

The operating profit is stated after charging/ (crediting) the following items:

	2020	<i>2019</i>
	£M	<i>£M</i>
Employees	151.3	<i>158.1</i>
Exempt IFRS16 charges:		
Hire of plant and machinery	13.2	<i>9.9</i>
Other lease charges	0.1	<i>0.1</i>
Depreciation of tangible fixed assets:		
- Owned assets (note 13)	65.5	<i>73.9</i>
- Right to use assets (note 17)	10.2	<i>9.7</i>
Amortisation of intangibles (note 10)	0.4	<i>0.7</i>
Audit of financial statements and other services	0.3	<i>0.3</i>
Impairment of intangible assets (note 12)	0.5	<i>-</i>
Cost of stocks recognised as an expense	77.9	<i>85.6</i>

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2020 £M	2019 £M
Audit of these financial statements (note 3)	0.1	0.1
Other fees payable (note 3)	0.2	0.2
	<u>0.3</u>	<u>0.3</u>

5. Directors' emoluments

	2020 £M	2019 £M
Salaries and benefits	0.8	1.7
Bonuses payable for the year	0.2	0.5
Amounts receivable under long term incentive scheme	0.1	0.3
	<u>1.1</u>	<u>2.5</u>

During the year under review three directors were paid by the company, one director was paid by the company and Linde Inc., and one director was paid by Linde plc (2019: six of the directors were paid by the company).

Some directors of BOC Limited are remunerated by other entities within the Linde group, including Linde Inc and Linde plc, with no recharge made to the company (2019: £nil) as it is not possible to accurately apportion their emoluments according to the services they fulfilled as directors of the business.

The highest paid director's total remuneration for the year was £346,000 (2019: £564,000), including pension contributions of £69,000 (2019: £38,000) and amounts receivable under long term incentive plans of £17,000 (2019: £37,000).

For those directors who were members of a defined benefit pension scheme, contributions to the scheme were £203,000 (2019: £279,000).

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Employees

(a) Employee costs

Staff costs were as follows:

	2020	<i>2019</i>
	£M	<i>£M</i>
Wages and salaries	108.0	<i>116.7</i>
Social security costs	12.4	<i>12.7</i>
Pension costs	30.9	<i>28.7</i>
	151.3	<i>158.1</i>

Pension costs for the year include additional company contributions to the defined benefit pension scheme of £nil (2019: £nil).

(b) Average number of employees

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2020	<i>2019</i>
	No.	<i>No.</i>
Merchant and packaged gas	881	<i>924</i>
Tonnage	1,266	<i>1,272</i>
Healthcare	215	<i>285</i>
Engineering	10	<i>10</i>
Support functions	251	<i>269</i>
	2,623	<i>2,760</i>

7. Interest

	2020	<i>2019</i>
	£M	<i>£M</i>
Interest receivable and similar income		
Interest income from financial instruments measured at amortised cost	4.6	<i>5.0</i>
	4.6	<i>5.0</i>

Interest receivable and similar income includes income from group undertakings of £4,600,000 (2019: £5,000,000).

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £M	2019 £M
Interest payable and similar expenses		
Interest expenses from financial instruments measured at amortised cost	0.2	1.5
Unwind of discount on provisions (note 22)	0.2	0.1
Finance leases and hire purchase contracts	0.1	0.3
	<u>0.5</u>	<u>1.9</u>

Interest payable and similar expenses includes interest payable to group undertakings of £200,000 (2019: £1,500,000).

8. Tax on profit

	2020 £M	2019 £M
Analysis of charge in year		
Current tax		
UK corporation tax on profits for the year	27.5	14.9
Adjustments to tax in respect of previous year	13.8	0.8
	<u>41.3</u>	<u>15.7</u>
Deferred tax		
Origination and reversal of timing differences	(0.1)	(2.2)
Adjustment to tax charge in respect of previous year	1.6	5.2
Effect of changes in tax rates	-	2.0
Total deferred tax	<u>1.5</u>	<u>5.0</u>
Tax on profit	<u>42.8</u>	<u>20.7</u>

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Tax on profit (continued)

Factors affecting tax for the year

The tax assessed for the year is higher than *(2019 - lower than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £M	<i>2019 £M</i>
Profit before taxation	201.9	<i>171.0</i>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% <i>(2019 - 19%)</i>	38.4	<i>32.4</i>
Effects of:		
Adjustments to tax charge in respect of previous year	15.4	<i>6.0</i>
Expenses not deductible for tax purposes	1.2	<i>2.2</i>
Effect of changes in tax rates	-	<i>2.0</i>
Group relief for current period losses	(12.2)	<i>(21.0)</i>
Amounts not recognised	-	<i>(0.9)</i>
Total tax charge for the year (as above)	42.8	<i>20.7</i>

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Tax on profit (continued)

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The company did not recognise deferred income tax assets of £527,826 (2019 - £527,826) in respect of capital losses amounting to £2,677,029 (2019 - £2,677,029) that can be carried forward against future taxable chargeable gains.

The standard rate of corporation tax in the UK is 19% and will remain at the same rate for the period beginning on 1 April 2021. The company's deferred tax assets and liabilities have been valued accordingly.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £5.9m, and to increase the deferred tax liability to £24.74m.

9. Dividends

The following dividends were recognised during the year:

	2020 £M	2019 £M
Ordinary dividend	320.0	120.0
	<u>320.0</u>	<u>120.0</u>

Interim dividends of £320,000,000 in aggregate were paid on the company's ordinary shares during the year ended 31 December 2020 (2019: £120,000,000).

Final dividends of £nil in aggregate were paid on the company's ordinary shares during the year ended 31 December 2020 (2019: £nil).

Interim dividends of £109,000,000 in aggregate were paid on the company's ordinary shares after the balance sheet date but before signing date.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Intangible assets

	Other intangibles £M
Cost	
At 1 January 2020	7.5
At 31 December 2020	<u>7.5</u>
Amortisation	
At 1 January 2020	6.3
Charge for the year	0.4
At 31 December 2020	<u>6.7</u>
Net book value	
At 31 December 2020	<u>0.8</u>
At 31 December 2019	<u>1.2</u>

Intangible assets amortisation is recorded in administrative expenses in the income statement.

11. One off items

	2020 £M	2019 £M
Restructuring costs	12.1	3.1
	<u>12.1</u>	<u>3.1</u>

The above relates to the restructuring of the business during 2020 and 2019 and are included in within administrative expenses within the profit and loss account.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Goodwill

	2020 £M	2019 £M
Cost		
At 1 January 2020	1.8	1.8
At 31 December 2020	1.8	1.8
Amortisation		
Accumulated impairment	0.5	-
At 31 December 2020	0.5	-
Net book value		
At 31 December 2020	1.3	1.8
<i>At 31 December 2019</i>	<i>1.8</i>	<i>-</i>

For the investment impairment test we apply country specific multiples adjusting for country specific risks similar to the cost of capital. We have compared the weighted cost of capital ("WACC") of Linde Industrial Gases with UK specific Industrial Gases WACC and applied this on the multiple. The UK country specific 2020 EBITDA multiple is 18.1% (vs. 18.1% of the Industrial Gases peer group median). The above judgement only applies to those investments not covered by the net assets of the investee.

Intangible assets amortisation and impairment are recorded in administrative expenses in the income statement.

BOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

	Land and buildings £M	Plant, machinery and vehicles £M	Fixtures and fittings £M	Constructi on in progress £M	Cylinders £M	Total £M
Cost or valuation						
At 1 January 2020	178.4	1,241.1	15.0	37.7	539.6	2,011.8
Additions	2.7	8.4	-	44.0	0.8	55.9
Disposals	(0.2)	(80.2)	(0.2)	-	(57.2)	(137.8)
Transfers between classes	0.9	26.3	0.1	(49.4)	22.1	-
At 31 December 2020	181.8	1,195.6	14.9	32.3	505.3	1,929.9
Depreciation						
At 1 January 2020	96.5	991.8	10.9	-	422.6	1,521.8
Charge for year	5.4	46.5	1.4	-	22.4	75.7
Disposals	(0.1)	(76.5)	(0.2)	-	(60.0)	(136.8)
Impairment charge	-	3.8	-	-	-	3.8
At 31 December 2020	101.8	965.6	12.1	-	385.0	1,464.5
Net book value						
At 31 December 2020	80.0	230.0	2.8	32.3	120.3	465.4
At 31 December 2019	81.9	249.3	4.1	37.7	117.0	490.0

The net book value of land and buildings may be further analysed as follows:

	2020 £M	2019 £M
Freehold property	60.3	61.9
Long leasehold	6.1	6.7
Short leasehold	1.7	2.5
Right of use	11.9	10.8
	80.0	81.9

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Capital commitments

	2020	<i>2019</i>
	£M	<i>£M</i>
Against which orders have been placed	3.3	<i>4.1</i>
	<u>3.3</u>	<u><i>4.1</i></u>

Right of use assets

The net book value of owned and leased assets included as 'Tangible fixed assets' in the Balance Sheet is as follows:

	2020	<i>2019</i>
	£M	<i>£M</i>
Tangible fixed assets owned	432.9	<i>457.6</i>
Right of use assets	32.5	<i>32.4</i>
	<u>465.4</u>	<u><i>490.0</i></u>

Information about right of use assets is summarised in note 17.

14. Stocks

	2020	<i>2019</i>
	£M	<i>£M</i>
Raw materials and consumables	16.2	<i>18.4</i>
Work in progress	3.0	<i>2.9</i>
Gases and other finished goods	13.0	<i>14.5</i>
	<u>32.2</u>	<u><i>35.8</i></u>

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

	2020 £M	2019 £M
Amounts falling due after more than one year:		
Finance lease receivables	1.3	-
	<u>1.3</u>	<u>-</u>
	2020 £M	2019 £M
Amounts falling due within one year:		
Trade debtors	86.4	88.0
Amounts owed by group undertakings	234.4	555.9
Other debtors	15.9	18.5
Prepayments and accrued income	2.1	4.4
Finance lease receivables	0.2	-
	<u>339.0</u>	<u>666.8</u>

All intercompany loans are made on an arm's length basis and attract interest at a rate equivalent to market rate. Those which are non interest bearing, or bear interest at a lower than market rate have been measured at fair value.

16. Creditors

	2020 £M	2019 £M
Amounts falling due within one year:		
Bank loans and overdrafts	1.2	2.3
Payments received on account	0.1	0.2
Trade creditors	68.3	69.3
Amounts owed to group undertakings	124.5	220.8
Other creditors including taxation and social security	23.3	46.3
Lease liability	9.5	9.3
Accruals and deferred income	22.8	27.1
	<u>249.7</u>	<u>375.3</u>

BOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £M	2019 £M
Amounts falling due after more than one year:		
Lease liability	24.5	24.4
Amounts owed to group undertakings	1.3	73.7
Other creditors	0.5	0.8
Non-redeemable preference shares	18.0	18.0
	<u>44.3</u>	<u>116.9</u>

All intercompany loans are made on an arm's length basis and attract interest at a rate equivalent to market rate. Those which are non interest bearing, or bear interest at a lower rate than market rate have been measured at fair value.

The non-redeemable cumulative preference shares have the right to receive first out of profits, a dividend payable in two equal instalments on 28 February (29 February in a leap year) and 31 August of each year, at a rate calculated by reference to the 6 month LIBOR rate for the first day of the preference share accrual period increased by a margin determined by the Directors reflecting the credit standing of the company multiplied by 100% minus the corporation tax main rate in force in the UK.

17. Leases

	Land and buildings £M	Plant, machinery and vehicles £M	Fixtures and fittings £M	Cylinders £M	Total £M
Balance at 1 January 2020	10.8	20.8	0.7	0.1	32.4
Additions to right of use assets	2.7	8.4	-	-	11.1
Disposals of right to use assets	(0.2)	(7.9)	(0.7)	-	(8.8)
Depreciation charge for the year	(1.6)	(8.2)	(0.4)	-	(10.2)
Depreciation eliminated on disposal	0.2	7.2	0.6	-	8.0
Balance at 31 December 2020	<u>11.9</u>	<u>20.3</u>	<u>0.2</u>	<u>0.1</u>	<u>32.5</u>

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the company is a lessee:

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	<i>2019</i>
	£M	<i>£M</i>
Leases under IFRS 16		
Interest expense on lease liabilities	0.1	<i>0.3</i>
Expenses relating to IFRS 16 depreciation	10.2	<i>9.7</i>
Expenses relating to exempt leases	13.3	<i>10.0</i>
	23.6	<i>20.0</i>

The total cash outflow for leases was £5,565,000 (2019: £9,055,949).

At 31 December 2020 the company had annual commitments under exempt lease commitments expiring as follows:

	As at 31 December 2020 Other	<i>As at 31 December 2019 Other</i>
In £ millions		
Within one year	1.0	<i>1.8</i>
Within two to five years	-	<i>-</i>

During the year £13,309,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £10,000,000).

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Financial instruments

Measurement of derivative financial instruments

The fair value of derivative financial instruments are measured by discounting expected future cash flows using the net present value method. As far as possible, the entry parameters used in these models are relevant observable market prices and interest rates at the balance sheet date, obtained from recognised external sources.

The financial instruments have been valued on a fair value hierarchy based on the valuation techniques used to determine fair value. Unlike Level 1, Level 2 financial instruments are valued based on inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Those Level 2 instruments are provided below.

Hedging activities and derivatives

The fair values and nominal amounts of the company's Financial Instruments are set out below. The nominal amounts represent the total purchase and sale amounts of the derivatives, which are not offset.

	2020 £M	2019 £M
Financial assets		
Financial assets that are debt instruments measured at amortised cost	336.8	662.4
Finance lease receivable	1.4	-
	<u>338.2</u>	<u>662.4</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(216.2)</u>	<u>(492.0)</u>

The fair value of all other financial assets and liabilities do not differ from their nominal amounts.

The above financial instruments are all level 2.

19. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020 £M	2019 £M
Amounts owed to group undertakings	-	66.0
Shares classified as debt (non-redeemable)	18.0	18.0
	<u>18.0</u>	<u>84.0</u>

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Accounting estimates and judgements

Provided below are the key assumptions concerning the future and key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

No critical accounting estimates and judgements.

Other accounting estimates and judgements

Recoverability of receivables

Receivables are due from a large number of customers in a wide variety of industry sectors and many different regions. To assess the recoverability of accounts receivable, the creditworthiness of customers is subject to constant review. A provision for bad debts is made in line with Linde Group policy and IFRS 9.

Linde Group distribute regional rates to be used in calculating the bad debt provision. These rates are applied to our receivables balance each month by business area. For any receivables over 365 days the loss allowance is 100%.

Recoverability of intercompany receivables

The company holds material intercompany debtor balances, management performed an assessment in relation to their recoverability, this was based on assessing the financial position of the counterparties, identifying any potential issues in relation to their operations and performing a forward looking expected credit loss review for long term debts, the assessment did not result in any material provisions.

Fixed assets (impairment)

Fixed assets are depreciated on an annual basis, in accordance with the company's accounting policy. An impairment review is carried out if a triggering event occurs during the year.

IFRS 16

IFRS 16 lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The discount rate used gives rise to estimation uncertainty over this balance which the group has considered in preparing these financial statements.

Site restoration obligation

An estimate is made based on past experience to assess the provision of future costs incurred to dismantle plants and restore land on which the plant was built to its original condition. The expected costs are reassessed on an annual basis, in accordance with the company's accounting policy. Provision are determined by a discounting rate of 0.4%.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Deferred taxation

	2020 £M	2019 £M
At beginning of year	(17.3)	(12.4)
Charged/ (credited) to profit or loss	(0.1)	0.3
Adjustments in respect of prior years	(1.6)	(5.2)
At end of year	(19.0)	(17.3)

The provision for deferred taxation is made up as follows:

	2020 £M	2019 £M
Fixed assets	(14.1)	(12.4)
Gains relating to rollover relief	(4.9)	(4.9)
	(19.0)	(17.3)

22. Provisions for liabilities

	De- commissioning costs £M	Maintenance and other provisions £M	Total £M
At 1 January 2020	16.3	8.3	24.6
Charged to profit or loss	0.2	15.5	15.7
Utilised in year	-	(15.3)	(15.3)
At 31 December 2020	16.5	8.5	25.0

De-commissioning costs relate to the future obligation to return current production facilities to their original state once the facility has been vacated, the provision has been discounted at a rate of 1.64%, and is unwound between 2010 and 2039.

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Called up Share capital

	2020 £M	2019 £M
Shares classified as equity		
Allotted and fully paid		
210,000,000 ordinary shares of £1 each	210	210
	<hr/>	<hr/>
	2020 £M	2019 £M
Shares classified as debt		
Allotted and fully paid		
18,000,000 non-redeemable cumulative preference shares of £1 each	18	18
	<hr/>	<hr/>

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 general meetings of the company.

24. Pensions**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £9,258,000 (2019: £9,184,000).

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

Defined benefit pension scheme

The company participates in the BOC Pension Scheme and BOC Senior Executive Pension Scheme, both providing benefits based on pensionable pay. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is another member of the group. The company then recognises a cost equal to its contribution payable for the period. The contributions payable by the participating entities are determined on the following basis: as a set percentage based on the pensionable earnings of each individual member. The company may, from time to time, make additional contributions to the defined benefit plan, on an adhoc basis. The required disclosures of IAS 19(R) are given in the financial statements of the sponsoring employer, The BOC Group Limited, available from The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

The pension charge for the year represents contributions payable by the company to the scheme and amounted to £21,516,000 (2019: £19,537,000).

BOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. Contingent liabilities

a) Litigation

The company is party to legal actions and claims which arise in the ordinary course of business. The resolution of some of these matters cannot readily be foreseen. However, the directors believe that such litigation should be disposed of without material adverse effect on the company's financial condition or profitability.

b) Other guarantees and contingent liabilities

The company has other guarantees and contingent liabilities to the value of £425,100 (2019: £2,067,330). These contingent liabilities include indemnities provided under supply contracts.

26. Ultimate parent undertaking

The immediate parent undertaking is BOC Netherlands Holdings Limited.

The ultimate parent undertaking and controlling party of the company is Linde plc (registration number: 602527), which is registered in Ireland at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

Linde plc is the smallest and largest group to consolidate these financial statements. Copies of Linde plc's consolidated financial statements can be obtained from that company at its principal trading address, The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY, England.