

BOC GROUP PLC
Form 20-F
December 06, 2004

Table of Contents

As filed with the Securities and Exchange Commission on December 6, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 20-F

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2004
Commission file number 0-10906

THE BOC GROUP plc
(Exact Name of Registrant as Specified in its Charter)

England and Wales
(Jurisdiction of Incorporation or Organization)

Chertsey Road, Windlesham
Surrey, GU20 6HJ
England
(Address of Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:

Ordinary Shares of 25p each
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

| | | |
|-------------------------------------|--------------------|--------------------|
| Ordinary Shares (fully paid) | 498,788,203 | (25p units) |
|-------------------------------------|--------------------|--------------------|

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: No:

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17: o Item 18: p

TABLE OF CONTENTS

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

ITEM 3. KEY INFORMATION

ITEM 4. INFORMATION ON THE COMPANY

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

ITEM 8. FINANCIAL INFORMATION

ITEM 9. THE OFFER AND LISTING

ITEM 10. ADDITIONAL INFORMATION

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

ITEM 15. CONTROLS AND PROCEDURES

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

ITEM 16B. CODE OF ETHICS

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

ITEM 17. FINANCIAL STATEMENTS.

ITEM 18. FINANCIAL STATEMENTS

ITEM 19. EXHIBITS

SIGNATURES

EXHIBIT INDEX

EXHIBIT 1.2

EXHIBIT 4.1

EXHIBIT 4.2

EXHIBIT 4.3

EXHIBIT 8.1

EXHIBIT 12.1

EXHIBIT 12.2

EXHIBIT 13

EXHIBIT 14.1

EXHIBIT 14.2

Table of Contents

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

The information set forth under the headings Group five year record on pages 12 to 13, Risk factors on pages 32 to 33, Financial review³/₄Management of financial risks on page 50, Financial review on pages 54 to 55, Notes to the financial statements³/₄Note 30 on pages 126 to 128 and Shareholder information³/₄Dividends on page 132 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 4. INFORMATION ON THE COMPANY

The information set forth on page 1, under the headings Group profile on pages 14 to 22, Social, environmental and ethical performance on pages 25 to 29, Research, development and information technology on pages 30 to 31, Operating review on pages 34 to 48, Notes to the financial statements³/₄Note 12 on pages 105 to 106, Group undertakings on pages 130 to 131 and Shareholder information on page 137 and on the outside back cover of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The information set forth on page 1, under the headings Research, development and information technology on pages 30 to 31, Operating review on pages 34 to 48, Financial review on pages 49 to 55, Notes to the financial statements³/₄Note 12(g) on page 106, ³/₄Notes 20 to 26 on pages 111 to 119 and ³/₄Note 30(g) on page 128 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The information set forth under the headings Board of directors on pages 8 to 9, Executive management board on pages 10 to 11, Group five year record³/₄Employees on page 13, Employees on pages 23 to 24, Corporate governance on pages 56 to 61, Report on remuneration on pages 64 to 75 and Notes to the financial statements³/₄Note 6 on page 93 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The information set forth under the headings Financial review³/₄Related party transactions on page 54, Notes to the financial statements³/₄Note 29 on page 124 and Shareholder information on pages 132 to 133 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 8. FINANCIAL INFORMATION

The information set forth under the headings Financial review on page 52, Group profit and loss account on page 78, Group balance sheet on page 79, Group cash flow statement on page

Table of Contents

80, Total recognised gains and losses on page 81, Movement in shareholders' funds on page 81, Balance sheet of The BOC Group plc on page 82, Accounting policies on pages 83 to 84 and Notes to the financial statements on pages 85 to 129 and Shareholder information Dividends on page 132 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 9. THE OFFER AND LISTING

The information set forth under the heading 'Shareholder information Nature of trading market' on pages 132 to 133 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION

**SUMMARY OF MEMORANDUM AND ARTICLES
OF ASSOCIATION OF THE BOC GROUP plc**

General

The BOC Group plc (the 'Company') is registered under company number 22096. The Company's objects and purposes are located in Section 4 of its memorandum of association, and include, among other things, the carrying on of business as manufacturers, producers, converters, processors, refiners, distillers, users, merchants, distributors, purchasers or dealers of or in any natural or man-made substance, or of or in any products derived or made therefrom.

Directors

Directors' Interests

Subject to certain limited exceptions, a director may not vote on any resolution in respect of any contract in which he has a material interest; the shareholders of the Company may pass an ordinary resolution to suspend or relax the provisions of the articles of association or to ratify any contract which would otherwise be in breach of the Company's articles of association.

Directors' Remuneration

The total fees payable to directors for attending normal board or committee meetings may not exceed £600,000 per annum, or such amount as determined by an ordinary resolution of the Company. Any director may receive remuneration paid under employment contracts or be paid additional remuneration for his services that go beyond attending normal board or committee meetings, such remuneration to be determined by the directors. The directors may pay pensions or other benefits to any past or present director, or any relation or dependant of such a person.

Directors' Borrowing Powers

The directors may exercise all of the Company's powers relating to borrowing money, giving security and issuing securities. The directors shall, however, limit the Company's borrowings (and those of its subsidiaries, so far as the directors are able) to ensure that the total principal amount outstanding on the group's borrowings shall not, without the sanction of an ordinary resolution, exceed 2.5 times the aggregate of the Company's adjusted capital and reserves; calculated and adjusted as set out in article 103 of the Company's articles of association.

Directors Age-Limit Requirements

Table of Contents

No one will be disqualified from being or becoming a director simply because he has reached the age of 70. It is not necessary to give special notice of a resolution appointing someone a director where he is 70 or more. However, where a director is proposed for appointment or reappointment at any general meeting, if the director will be 70 or more at the date of the meeting, the directors will state his age in the notice calling the meeting, or in an accompanying document.

Directors Term of Office and Shareholding Requirements

In order to qualify for office, a director must hold 500 ordinary shares (the shares) of the Company, and such shares may not be held jointly. At every annual general meeting, one-third of the current directors must retire by rotation (or if their number is not three or a multiple of three, the nearest to and less than one-third thereof), provided all directors must retire as directors at least every three years, in the following order: (i) any director who is 70 or over at the date of the meeting; then, if more must retire, (ii) any director who wishes to retire at the meeting and who does not want to be re-elected; then, if more must retire, (iii) those directors who have been directors longest since they were last elected. Where there are any directors who were last elected on the same date, they can agree on who is to retire. Where they do not agree, they must draw lots to decide. In addition, any director appointed by the board to fill a vacancy or as an additional director must retire. A retiring director is eligible for re-appointment.

Share Rights

Share Issuances

The Company may issue shares with any rights and restrictions, which must be approved by an ordinary resolution of the shareholders or by the directors. The Company's shares have a nominal value of 25p each.

Redemption

The Company may issue shares which are redeemable, either automatically or at the Company's or the Shareholder's election.

Dividends

The directors may recommend the amount of any final dividend. The shareholders may then pass an ordinary resolution to declare the dividend, but the amount declared must not be higher than the amount recommended by the directors. The directors may pay interim dividends and fixed rate dividends when they consider that the financial position of the Company justifies the payment. Where shareholders with shares giving them preferential rights suffer because an interim dividend has been paid on other shares, then as long as the directors act in good faith, they will not be liable for the loss. Shareholders have the right to elect to receive new shares, credited as fully paid, in whole or in part, in lieu of any dividend paid or declared by the Company.

The directors may deduct from any dividend, or other moneys payable in respect of any shares, any sums of money presently payable by the shareholder on account of calls or otherwise in relation to the shares. Any dividend unclaimed for a period of twelve years from the date on which it was declared or became due for payment shall be forfeited and reverts to the Company.

Calls on Shares

The directors may at any time make calls on shareholders to pay any money which has not yet been paid to the Company for their shares.

Variation of Rights

Table of Contents

The rights attached to each class of shares may only be varied if the holders of three-quarters in nominal value of the issued shares of that class approve in writing such variation, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class.

Voting

On a show of hands, every holder of shares who is present in person at a general meeting shall have one vote. On a poll, every holder who is present in person or by proxy shall have one vote for every 25p in nominal value of the shares he holds.

Voting will be by a show of hands unless a poll is demanded when or before the chairman declares the result of the show of hands.

Treasury Shares

The directors may decide how to deal with all (if any) shares in BOC lawfully held by or on behalf of BOC. The directors may, for instance, offer the shares for sale, grant options to acquire them, allot them or dispose of the shares in any other way, subject to the provisions of the legislation.

Annual and Extraordinary General Meetings

An annual general meeting and any other meeting for the passing of a special resolution may be called by at least twenty-one clear days' notice. All other general meetings may be convened by fourteen days' clear notice. All notices given must specify the place, day and time of the meeting and the general nature of the business for the meeting.

There must not be a period of more than 15 months between one annual general meeting and the next. Five members present by person or by proxy and entitled to vote at the meeting shall be a quorum.

Ownership Rights

There are no restrictions on ownership of the Company's shares, but the directors may refuse to register a transfer of any shares which are not fully paid, or if the shares are to be held jointly by more than four persons.

Liquidation Rights

If the Company goes into liquidation, its assets may be distributed among the shareholders or transferred to and managed by trustees. The liquidator must act with the approval of a special resolution of the shareholders. Where any assets are to be distributed among the shareholders, the liquidator will determine the values of the assets to be distributed and decide how they will be divided between the shareholders. Where any assets are transferred to trustees, the liquidator may decide on the nature of the trust. On a liquidation, no shareholder will be obliged to accept any shares or other assets where there is any liability associated with them.

Disclosure Requirements

The Companies Act 1985 applies in relation to the disclosure of share ownership in the Company. A person with a material interest of 3% or more in aggregate of shares of the Company is required to notify the Company of his shareholding. After the 3% threshold is exceeded, the Company must be notified of increases or decreases of 1% or more. A person holding an interest, whether material or otherwise, in 10% or more of the Company's shares is also required to notify the Company of such holding. The requirements of the City Code of Takeovers and Mergers will

apply to any shareholder seeking to increase his shareholding in the Company.

Table of Contents

The Company may under the Companies Act send out notices to those it knows or thinks have an interest in its shares. In the notice, the Company will ask for details of those who do have an interest and the extent of their interest in a particular holding of shares (the statutory notice).

When a person receives a statutory notice, he has 14 days to comply with it. If he does not do so, the Company may decide to restrict the rights relating to such person's shares and give a further notice, known as a restriction notice. The restriction notice will take effect when it is delivered. The restriction notice will state that the shares no longer give the shareholder any right to attend or vote at any meeting or appoint a proxy for meetings.

Where the shares make up 0.25 per cent. or more (in nominal value or in number) of the Company's shares, or any class of shares, the restriction notice may also contain the following further restrictions:

(i) the directors may withhold any dividends (including scrip dividends) in respect of the identified shares; and

(ii) the directors may refuse to register a transfer of any of the shares unless the directors are satisfied that they have been sold outright to an independent third party. The independent third party must not be connected with the registered shareholder or with anyone else whom the Company believes is interested in the shares. Any sale through a stock exchange on which the Company's shares are listed or by way of accepting a take-over offer will be treated as a sale to an independent third party.

Once a restriction notice has been given, the directors are free to cancel or suspend its effect at any time they think fit. In addition, they must cancel the restriction notice within 7 days of being satisfied that all information requested in the statutory notice has been given. Also, where any of the identified shares are sold and the directors are satisfied that they were sold outright to an independent third party, the transferred shares will no longer be affected by the restriction notice.

When a restriction notice is cancelled or stops being effective, the Company will pay any money which it had withheld to the person who would have received the money originally.

In addition, the information set forth under the heading "Shareholder information" on pages 134 to 135 and page 137 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under the headings "Financial review" "Management of financial risks" on page 50, "Accounting policies" "Financial instruments" on page 84, and "Notes to the financial statements" Note 21 on pages 112 to 116 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

Table of Contents

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

The information set forth under the heading "Corporate governance" on pages 60 to 61 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The information set forth under the heading "Corporate governance" Audit committee on page 58 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 16B. CODE OF ETHICS

The information set forth under the headings "Employees" "Employment policies and Code of Conduct" on page 23 and "Social, environmental and ethical performance" "The Code of Conduct" on page 25 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information set forth under the heading "Notes to the financial statements" Note 2(c) on page 90 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Neither the registrant nor any affiliated purchaser made any purchases of the registrant's ordinary shares during the fiscal year ended September 30, 2004.

ITEM 17. FINANCIAL STATEMENTS.

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of The BOC Group plc:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of profit and loss, of total recognised gains and losses, of movement in shareholders' funds and related notes, present fairly, in all material respects, the financial position of The BOC Group plc and its subsidiaries at September 30, 2004 and September 30, 2003, and the results of its operations and its cash flows for each of the three years in the period ended September 30,

Table of Contents

2004 in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 31 to the financial statements, the Group has adopted the new UK accounting standard, UITF 38 Accounting for ESOP Trusts in 2004. The change has been accounted for by restating comparative information at 30 September 2003 and 30 September 2002.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 30 to the consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
London, England
22 November 2004

The information set forth under the headings Group profit and loss account on page 78, Group balance sheet on page 79, Group cash flow statement on page 80, Total recognised gains and losses on page 81, Movement in shareholders funds on page 81, Balance sheet of The BOC Group plc on page 82, Accounting policies on pages 83 to 84 and Notes to the financial statements on pages 85 to 129 of the Report and Accounts 2004 contained in the Company's Report on Form 6-K dated December 6, 2004 is incorporated herein by reference.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this annual report:

- 1.1 Memorandum of Association, as amended*
- 1.2 Articles of Association, as amended
- 4.1 Directors' service contracts and letters of appointment
- 4.2 The BOC Group Executive Share Option Scheme 1995 Rules, as amended
- 4.3 The BOC Group Executive Share Option Scheme 1995 Jersey Rules, as amended
- 4.4 The BOC Group Executive Share Option Scheme 2003**
- 4.5 The BOC Group Long Term Incentive Plan**

For information regarding the calculation of earnings per share information, see Notes to the financial statements Note 10 , contained on page 103 of the Report and Accounts 2004, filed as Exhibit 14.2.

Table of Contents

- 8.1 List of subsidiaries
- 12.1 Certification of Anthony Eric Isaac, Chief Executive of The BOC Group plc, pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 12.2 Certification of René Médori, Group Finance Director of The BOC Group plc, pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 13 Certifications of Anthony Eric Isaac, Chief Executive of The BOC Group plc and René Médori, Group Finance Director of The BOC Group plc, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 14.1 Consent of independent public registered accounting firm, PricewaterhouseCoopers LLP, independent auditors of The BOC Group plc
- 14.2 The Company's responses to the requirements of Form 20-F have been incorporated by reference to the Company's Report on Form 6-K dated December 6, 2004, which contains The BOC Group plc Report and Accounts 2004. Pursuant to Rule 12b-23(a) of the Commission, the information incorporated into this report by reference to such Report on Form 6-K is attached as an exhibit hereto.

* Incorporated by reference to our annual report on Form 20-F (No. 0-10906) for the year ended September 30, 2002 filed with the Commission on December 12, 2002.

** Incorporated by reference to our registration statement on Form S-8 (No. 333-105611) filed with the Commission on May 28, 2003.

Table of Contents

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: December 6, 2004

The BOC Group plc

By: /s/ Anthony Eric Isaac
Name: Anthony Eric Isaac
Title: Chief Executive

Table of Contents

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