

BOC GASES NIGERIA PLC

A Member of The Linde Group

RC 2035

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REPORT TO THE NIGERIAN STOCK EXCHANGE

BOC Gases Nigeria plc Condensed statement of comprehensive income

	Notes	Unaudited Apr- Jun 2021	Unaudited Jan- Jun 2021 =N='000	Unaudited Apr- Jun 2020	Unaudited Jan- Jun 2020	Audited Jan- Dec 2020 =N='000
Revenue	15	992,620	1,771,107	650,420	1,476,407	3,171,173
Cost of sales		(436,920)	(864,532)	(331,141)	(726,793)	(1,656,802)
Gross profit		555,700	906,575	319,279	749,614	1,514,371
Other Income	16	2,468	10,736	7,535	32,247	61,399
Other expenses		(1,175)	(5,639)	-	(31,343)	(24,981)
Selling and Distribution Expenses	17	(154,110)	(258,646)	(127,965)	(271,640)	(509,537)
Administrative expenses		(212,894)	(355,442)	(137,525)	(297,148)	(648,895)
Operating profit		189,989	297,584	61,323	181,730	392,357
Finance income	18	14,301	16,569	19,219	31,481	85,643
Finance cost		(47,194)	(70,004)	(42,658)	(18,635)	(63,498)
Profit before income tax		157,096	244,149	37,884	194,576	414,502
Income tax (provision)		(48,881)	(75,712)	(11,520)	(62,264)	(122,395)
Net Profit for the 6 months		108,215	168,437	26,364	132,312	292,107
Other comprehensive income						
Defined benefit plan actuarial gain						641
Tax on actuarial gain						(205)
Total comprehensive income for the 6 months		108,215	168,437	26,364	132,312	292,543
Basic and diluted earnings per share (kobo)		26	40	6	32	70

The Board believes that barring any unforeseen negative circumstances, the performance shall be sustained.

BOC Gases Nigeria plc
Condensed statement of financial position

		Un audited	Audited
		Jan-Jun 2021	Jan-Dec 2020
		=N='000	=N='000
ASSETS			
Non current assets			
Property, plant and equipment	10	2,046,213	2,167,083
Intangibles		-	-
Right of Use Assets		19,915	80,293
Other tax assets		361,320	307,584
Prepayments and other assets		-	-
		<u>2,427,447</u>	<u>2,554,960</u>
Current assets			
Inventories	11	450,947	432,902
Trade debtors and other receivables		600,832	460,417
Prepayments and other assets		515,373	326,239
Cash and cash equivalents		<u>1,795,543</u>	<u>1,643,352</u>
		<u>3,362,695</u>	<u>2,862,910</u>
Total assets		<u>5,790,142</u>	<u>5,417,870</u>
Equity & liabilities			
Equity			
Share Capital		208,122	208,122
General reserve		2,756,305	2,671,118
Other reserves		436	436
Total Equity		<u>2,964,863</u>	<u>2,879,676</u>
Non current liabilities			
Employee benefit liability	12	18,663	18,663
Lease Liabilities		-	-
Deferred tax liabilities		480,656	480,659
		<u>499,319</u>	<u>499,322</u>
Current liabilities			
Current tax liabilities		131,935	140,499
Trade creditors		948,237	687,475
Other creditors & accruals	13	326,825	354,384
Lease Liabilities		35,887	103,818
Provision		56,764	56,764
Deferred revenue		122,247	97,180
Dividend payable		457,845	382,922
Amount due to related companies	14	<u>246,220</u>	<u>215,830</u>
		<u>2,325,960</u>	<u>2,038,872</u>
Total liabilities		<u>2,825,279</u>	<u>2,538,194</u>
Total equity and liabilities		<u>5,790,142</u>	<u>5,417,870</u>

BOC Gases Nigeria plc

Condensed statement of cash flows

	Jan-Jun 2021 =N='000	Jan-Dec 2020 =N='000
Cash flows from operating activities		
Profit Before Income Tax	297,584	392,357
Adjustments for non-cash items:		
Depreciation	135,788	266,023
Profit from sales of fixed assets	-	(9,457)
Working capital changes:		
Inventories	(18,045)	(206,890)
Trade and other receivables	(194,151)	(141,278)
Trade and other payables	260,762	359,531
Related companies accounts	30,390	87,406
Prepayments	(189,134)	(24,153)
Other current liabilities	72,431	(450,883)
Right of use	60,378	120,758
Lease liabilities	(67,931)	-
Income tax paid	(84,279)	(109,772)
Net cash from operating activities	<u>303,793</u>	<u>283,642</u>
Cash flows from investing activities		
Purchase of fixed assets	(14,918)	(192,391)
Proceeds from sales of fixed assets	-	10,223
Interest received	16,569	85,643
Net cash from investing activities	<u>1,651</u>	<u>(96,525)</u>
Cash flows from financing activities		
Dividend paid	(83,249)	(26,480)
Unpaid dividend received	-	-
Interest expense	(70,004)	(21,563)
Net cash from financing activities	<u>(153,253)</u>	<u>(48,043)</u>
Net increase in cash and cash equivalent	152,191	139,074
Cash and cash equivalent at 1 January	1,643,352	1,504,278
Cash and cash equivalent at 30 June	<u>1,795,543</u>	<u>1,643,352</u>
	(0)	

BOC Gases Nigeria plc
Condensed statement of changes in equity

	Share capital	Retained earnings	Total equity
	=N='000	=N='000	=N='000
Balance at 1 January			
Balance at 1 January 2021	208,122	2,671,554	2,879,676
Profit for the period		168,437	168,437
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred			-
Dividends paid/declared		(83,249)	(83,249)
Balance at 30 June 2021	208,122	2,756,742	2,964,864
Balance at 1 January 2020	208,122	2,503,884	2,712,006
Profit for the period		132,312	132,312
Other Comprehensive Income		-	-
<i>Transactions with shareholders:</i>			
Unclaimed dividend now statute barred			-
Dividends paid/declared		(49,949)	(49,949)
Balance at 30 June 2020	208,122	2,586,246	2,794,368

Notes to the condensed financial statements

1. Statement of compliance

These condensed financial statements for the six months have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), the presentation as well as disclosure requirements of IAS 34 Interim Financial Reporting and the Company and Allied Matters Act as amended

1b. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), BOC Gases Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares.

The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

2. Basis of preparation

The financial statements are prepared in thousands of Nigerian Naira on the historical cost basis

3. Accounting policies

The financial statements have been prepared applying the same accounting policies as used in the last audited financial statements for the year ended 31 December 2020

4. Unusual items

There were no unusual items within the period

5. Changes in estimates

There were no material changes in estimates made, between the last quarter interim report and the current report

6. Debt and equity transactions

A dividend of 50k per share on the issued share capital of 416,244,706 shares of 50k each was declared at the Annual General Meeting held in the second quarter. This translates to a total dividend of =N=208,122,353

7. Contingent liabilities

As at the date of publishing this report, there are no contingent liabilities against the company

8. Changes in the composition of the company

No changes have arisen in the year to date

9. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions - Transactions in foreign currencies are translated to Naira at the exchange rates at the dates of the transactions.

(b) Property, plant and equipment - Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

(c) Inventories - Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

(d) Employee Benefits - The Company has a defined contribution scheme for junior level employees, which is funded through fixed contributions made by the Company over the service life of the employees and charged accordingly as personnel expense in profit or loss. The company also has long service awards scheme instituted for all permanent employees.

(e) Revenue - Revenue is measured at the fair value of the consideration received or receivable, net of Value Added Tax, discounts allowed and rebates in the ordinary course of business.

(f) Operating profit - Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes

(g) Finance income comprises interest income on funds invested and net gains on foreign exchange differences. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance costs comprise unwinding of the discount on provisions and interest expenses on borrowings (except interest expenses that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets) and are recognised in profit or loss using the effective interest method

(h) Income tax - Income tax expense comprises current tax - company income tax and tertiary education tax, and deferred tax.

10. Property, Plant & Equipment

	Jan-Jun 2021 =N='000	Jan-Dec 2020 =N='000
Land	2,542	2,542
Buildings	100,871	102,888
Plant & machinery	1,121,839	1,199,679
Motor Vehicle	306,824	289,805
Furniture & fittings	17,021	21,153
Cylinders	291,736	305,592
WIP	205,379	245,424
	<u>2,046,213</u>	<u>2,167,083</u>

11. Inventories

Raw materials and consumables	211,275	186,107
Finished goods	238,592	174,252
Goods-in-transit	1,080	72,543
	<u>450,947</u>	<u>432,902</u>

12. Employee benefit liability

The long service award benefit plan	<u>18,663</u>	<u>18,663</u>
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13. Other creditors & accruals

VAT	11,599	15,877
Leave allowance payable	10,102	10,871
Professional fee payable	10,227	46,419
PAYE	15,972	12,312
Pension	8,855	224
Cylinder deposits	<u>270,070</u>	<u>268,681</u>
	<u>326,825</u>	<u>354,384</u>

14. Group Current Account

BOCN due to Afrox	181,814	185,519
BOCN due to Cryostar		(2)
BOCN due to Linde	<u>64,406</u>	<u>30,314</u>
	<u>246,220</u>	<u>215,830</u>

15. Revenue

	Apr-June 2021	Jan - Jun 2021	Apr - Jun 2020	Jan - Jun 2020	Jan-Dec 2020
Gas sales	931,559	1,666,579	603,317	1,366,177	2,931,841
Engineering services	18,666	20,514	22,772	51,302	109,209
Sales of gas equipment and delivery charges	42,395	84,014	24,331	58,928	130,123
	<u>992,620</u>	<u>1,771,107</u>	<u>650,420</u>	<u>1,476,407</u>	<u>3,171,173</u>

16. Other income

Income from hire of genset	2,468	10,736	-	24,712	42,673
Gain/(loss) on sale of property, plant and equipment	-	-	-	-	9,457
Gain on sale of scrap	-	-	7,535	7,535	9,269
	<u>2,468</u>	<u>10,736</u>	<u>7,535</u>	<u>32,247</u>	<u>61,399</u>

17. Selling & Distribution

Selling expenses	(51,856)	(85,450)	(53,603)	(127,328)	(214,524)
Distribution expenses	(102,254)	(173,196)	(66,827)	(136,778)	(295,013)
	<u>(154,110)</u>	<u>(258,646)</u>	<u>(120,430)</u>	<u>(264,105)</u>	<u>(509,537)</u>

18. Finance Income and finance cost

(a) Finance income comprises

Interest income on bank deposits	14,301	16,569	19,219	31,481	85,643
Net gain on foreign exchange transactions	-	-	-	-	-
	<u>14,301</u>	<u>16,569</u>	<u>19,219</u>	<u>31,481</u>	<u>85,643</u>

(b) Finance expenses comprises

Interest expense on lease liabilities	(1,584)	(4,309)	(5,923)	(12,843)	(21,563)
Net loss on foreign exchange transactions	(45,610)	(65,695)	(36,735)	(5,792)	(39,185)
Interest cost on employee benefit obligation					(2,750)
	<u>(47,194)</u>	<u>(70,004)</u>	<u>(42,658)</u>	<u>(18,635)</u>	<u>(63,498)</u>