

FLEXIBOX INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

THURSDAY



AB2UYM6I

A19

28/04/2022

#362

COMPANIES HOUSE

FLEXIBOX INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Alistair Michael Rogers Adam Powell Ruben Alvarez Sancho
Registered number	00394688
Registered office	Buckingham House 361-366 Buckingham Avenue Slough Berkshire SL1 4LU
Independent Auditor's	KPMG LLP Chartered Accountants and Statutory Auditor 15 Canada Square Canary Wharf London E14 5GL

FLEXIBOX INTERNATIONAL LIMITED

CONTENTS

	Pages
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report to the members of Flexibox International Ltd	5 - 7
The Profit and Loss Account and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 19

FLEXIBOX INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Introduction

The Directors present their strategic report on Flexibox International Limited (the "Company") for the year ended 31 July 2021.

Business review and principal activities

The Company's principal activity is that of an intermediate parent undertaking that exists to hold investments and receive investment income during the year. The Company's subsidiaries and associate undertakings are principally engaged in the manufacture of mechanical seals and flexible power transmission couplings. There has been no significant change in this activity during the year.

The results for the year show a profit before taxation of £2,074k (2020: £25,511k) for the year. The Company has a strong balance sheet showing net assets of £54,046k (2019: £52,130k) with no liabilities and a cash position of £5k (2020: £12k).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks involving global and economic conditions affecting the performance of the subsidiary entities and the effect of legislation or other regulatory action. In addition to the aforementioned, the principal underlying risk is the under performance of subsidiaries which is influenced by the oil price. The COVID-19 pandemic is considered a risk due to the impact this may have on the Company's subsidiary entities. COVID-19 has had some negative impact on the revenue of the subsidiary entities, mainly due to the decreased oil price seen during the pandemic which may result in reduced dividend income. However this is expected to be a temporary risk until the oil price recovers. As the Company itself is non-trading and has no employees, COVID-19 has not directly affected the Company.

The impact of the UK leaving the EU on the business is considered to be limited as the business is non-trading. However, management continues to monitor the political outcome and actions are taken where possible to mitigate any potential risks or other regulatory action.

Key performance indicators

The Directors of Smiths Group plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the John Crane division of Smiths Group plc, which includes the Company, is discussed in the Business review section of the Group's Annual Report, which does not form part of this report.

FLEXIBOX INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Directors' statement of compliance with duty to promote the success of the Company

The directors of the Company have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members. As part of the Company's deliberations and decision making process, the Board takes into the account the (i) likely consequences of any decision in the long term; (ii) the interests of the company's employees; (iii) the need to foster the company's relationship with suppliers, customers and others; (iv) the impact of the company's operations on the community and the environment; and (v) the desirability of the company maintaining a reputation for high standards of business conduct.

The Board considers its stakeholders to be our shareholders, suppliers, local communities and governments, lenders and the environment and also took account the views and interests of a wider set of stakeholders including our regulators, the government, and non-government organisations. The Board recognises that building strong relationships with our stakeholders will help deliver the Company's strategy in line with its long-term values and operate the business in a sustainable way.

The Company is ultimately owned by Smiths Group plc ('Group'), which is responsible for setting the overall strategy of the Group maintaining oversight of the Group's activities and setting its risk appetite. The Board will sometimes engage directly with certain stakeholders on specific issues, but the size and distribution of our stakeholders and of the Group means that stakeholder engagement often takes place at an operational level. In these instances, the Board is informed of stakeholder views through management reports and presentations. Most decisions made by the Board during the year are deemed to be routine in nature and are taken on regular basis.

Further explanations of how the Group board has considered matters set out in section 172 (for the Group and for the Company) can be found on pages 91 to 93 of the Group Annual Report and Accounts for the year ended 31 July 2021, which does not form part of this report.

This report was approved by the board and signed on its behalf.



Adam Powell
Director
Date: 10 December 2021

FLEXIBOX INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their report and the financial statements for the year ended 31 July 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £1,916k (2020 - £22,991k).

Directors

The directors who served during the year were:

Alistair Michael Rogers (appointed 5 January 2018)
Adam Powell (appointed 31 March 2017)
Ruben Alvarez Sancho (appointed 31 March 2017)

Future developments

The Company's subsidiaries are profitable and expected to grow over the coming years as set out in the strategic plan. The current level of performance is expected to be maintained.

FLEXIBOX INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Financial risk management

The Company complies with the Smiths Group plc financial risk management policies. These policies are explained in the Treasury section of the Business review and in the financial instrument note included in the Group's Annual Report, which does not form part of this document.

Credit risk

The Company is exposed to credit risk in regards to the loans receivable it has outstanding with fellow members of the Smiths Group. The Directors are aware of the latest financial position of each of the counterparties and monitors changes in the financial position and performance of these companies before credit limits are altered.

Foreign exchange risk

The Company currently has no sales or purchases in foreign currencies, hence, there is no requirement for hedging. However the Company does hold a Japanese Yen bank balance for which the exposure is not material. The Company also receives dividends from foreign subsidiaries with the main exposure focused on dividends from Mexico, Poland and Japan. This exposure is outside the scope for hedging.

Liquidity risk

Liquidity risk is managed centrally as part of the central Smiths Group treasury function. When the Company receives cash, it is passed up to the Group as part of a cash pooling arrangement. The Company however has the ability to call in loans to fellow group companies that are repayable on demand should it require additional liquidity.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on
its behalf.

10 December 2021 and signed on



Adam Powell
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Flexibox International Limited ("the company") for the year ended 31 July 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Smiths Group Plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and director's report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Dodds (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL
10 December 2021

FLEXIBOX INTERNATIONAL LIMITED

**THE PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 £000	2020 £000
Income from shares in group undertakings		1,987	25,784
Interest receivable and similar income	4	95	297
Interest payable and expenses	6	(8)	(570)
Profit before tax		2,074	25,511
Tax charge	7	(158)	(2,520)
Profit for the financial year		1,916	22,991
Total comprehensive income for the year		1,916	22,991

The notes on pages 12 to 19 form part of these financial statements.

FLEXIBOX INTERNATIONAL LIMITED
REGISTERED NUMBER:00394688

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	8	1,699	1,699
		<u>1,699</u>	<u>1,699</u>
Current assets			
Debtors	9	52,342	50,419
Cash at bank and in hand	5	12	12
		<u>52,347</u>	<u>50,431</u>
		-	-
		<u>54,046</u>	<u>52,130</u>
Net assets		<u>54,046</u>	<u>52,130</u>
Capital and reserves			
Called up share capital	10	75	75
Profit and loss account		53,971	52,055
		<u>54,046</u>	<u>52,130</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Adam Powell
 Director
 Date: 10 December 2021

The notes on pages 12 to 19 form part of these financial statements.

FLEXIBOX INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 August 2020	75	52,055	52,130
Comprehensive income for the year			
Profit for the year	-	1,916	1,916
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year			
	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,916	1,916
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2021	75	53,971	54,046
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 19 form part of these financial statements.

FLEXIBOX INTERNATIONAL LIMITED

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 August 2019	75	29,064	29,139
Comprehensive income for the year			
Profit for the year	-	22,991	22,991
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	22,991	22,991
	<hr/>	<hr/>	<hr/>
Total transactions with Owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2020	75	52,055	52,130
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 19 form part of these financial statements.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The principal accounting policies are set out below and have been applied consistently throughout the year.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement, and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements have been prepared under the historical cost convention. These financial statements have been prepared on a going concern basis which is considered appropriate due to the Company having net assets and also historically being profitable year on year with this expected to continue in the foreseeable future. Although the Company's only income sources are dividends from shares in group undertakings, which can be variable year on year, and interest receivable on the intercompany loan receivable, the Company does not have any costs with the exception of withholding tax payable on dividends received and foreign exchange gains/losses on dividends received in foreign currencies. The Company's assets primarily relate to an intercompany loan receivable from its immediate parent company, John Crane Group Ltd, of £52.3m which is repayable on demand. John Crane Group Ltd has positive net assets which includes an on demand receivable due from its immediate parent company, Smiths Group International Holdings Ltd, so is in a position to repay the loan on demand if required. No downside scenario has been considered as the Company does not trade, so there is no reasonably possible downside scenario under which the Company's liabilities could exceed funds readily available to it. Consequently, the directors are confident 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 and therefore have prepared the financial statements on a going concern basis.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

There have been no new standards effective in the year that have had a material impact on the financial statements.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures required by Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flow of discontinued operations;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

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

1.3 Consolidation

As the Company is a wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated group financial statements, the Company has not prepared consolidated financial statements as permitted by section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking, and not about its group.

1.4 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from these estimates. The key estimates and assumptions used in these financial statements are set out below.

Investment carrying value

Investments in subsidiary undertakings are reviewed regularly, and tested if there are any indications of impairment. The recoverable amounts of investments are determined based on valuations of the underlying trading operations.

Recoverability of intercompany loans receivable

The recoverability of loans is assessed applying the methodology of IFRS 9 by looking at the credit quality of the subsidiary and any support available to the subsidiary. These calculations require the use of estimates including projected future cash-flows and other future events.

1.5 Cash

Cash includes cash at bank and in hand and bank overdrafts.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.6 Financial assets

The Company recognises its financial assets into one of the categories discussed below. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Fair value through profit or loss

Financial assets where changes in fair value are charged (or credited) to the profit and loss account are subsequently measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the Profit and Loss and Other Comprehensive Income in the period in which they arise.

Loans and receivables

The Company classifies all of its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets are derecognised when the right to receive cash-flows from the assets has expired or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

The Company applies the IFRS 9 to measuring expected credit losses (ECL) for all intercompany loans. There has been no material impact on the Company's financial statements as a result of adopting IFRS 9 from 1 August 2018.

1.7 Interest Income

Interest income is recognised in the Profit and Loss and Other Comprehensive Income using the effective interest method.

1.8 Current taxation

Tax is recognised in the Profit and Loss and Other Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity where the tax charge is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The Group's main source of income is dividends received from group undertakings which is not subject to UK Corporation tax.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Accounting policies (continued)

1.9 Foreign currency translation

The Company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items are measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items are measured at fair value using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss and Other Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss and Other Comprehensive Income within 'Interest receivable or payable and similar income'.

2. General information

Flexibox International Limited is a private company limited by shares incorporated and domiciled in England. The principle activity of the company is a holding company. The registered address of Flexibox International Limited is Buckingham House, 361 - 366 Buckingham Avenue, Slough, SL1 4LU.

3. Directors' Remuneration & employee information

No Directors received any emoluments for their services to the Company (2020: nil).

The Company has no employees (2020: nil).

4. Interest receivable

	2021 £000	2020 £000
Other interest receivable	95	297
	<u>95</u>	<u>297</u>

5. Auditors Remuneration

Auditors' remuneration for the Company for 2021 was £12k (2020: £16k). This was borne by John Crane Group Limited and has not been incurred by the Company.

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

6. Interest payable and similar expenses

	2021 £000	2020 £000
Loans from group undertakings	8	570
	<u>8</u>	<u>570</u>

7. Tax on profit

	2021 £000	2020 £000
Current tax on profits for the year	176	2,576
	<u>176</u>	<u>2,576</u>
Group Tax Relief	(18)	(56)
Total current tax	<u>158</u>	<u>2,520</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19.00 % (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	<u>2,074</u>	<u>25,511</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	394	4,847
Effects of:		
Non-taxable income	(376)	(4,791)
Withholding tax suffered	158	2,520
Group relief	(18)	(56)
Total tax charge for the year	<u>158</u>	<u>2,520</u>

At 31 July 2021 the Company had no recognised or unrecognised deferred tax assets or liabilities (2020: nil).

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

7. Tax on profit (continued)

Factors that may affect future tax charges

Smiths Group does not require UK companies to compensate the surrendering company for the receipt of group relief. As a result, no payments or receipts in respect of group relief have been accrued in the current or prior year, and no payments or receipts will be recognised in future years if other group companies have losses available to surrender.

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge

8. Fixed asset investments

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 August 2020	1,974	893	2,867
At 31 July 2021	1,974	893	2,867
Impairment			
At 1 August 2020	1,168	-	1,168
At 31 July 2021	1,168	-	1,168
Net book value			
At 31 July 2021	806	893	1,699
At 31 July 2020	806	893	1,699

Within the financial year, there were no divestments or investments made. This also applies to the prior year too. The Directors believe that the carrying value of investments is supported by their underlying net assets.

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. Fixed asset investments (continued)**Subsidiary undertakings**

The Subsidiary undertakings of Flexibox International Limited at 31 July 2021 were:

Name	Principal activity	Class of shares	Holding
John Crane Poland Sp.Z.O.O. (1)	Manufacturing mechanical seals and flexible power transmission couplings.	Ordinary	100%
John Crane (Thailand) Limited (2)	Manufacturing mechanical seals and flexible power transmission couplings.	Ordinary	100%

The subsidiary undertakings of Flexibox International Limited are principally engaged in the manufacture of mechanical seals and flexible power transmission couplings

The other fixed asset investments held by Flexibox International Limited at 31 July 2021 were:

Name	Country of incorporation	Holding
John Crane Pension Trustee (Ireland) Limited	(3) Ireland	50%
John Crane Malaysia SON. BHD	(4) Malaysia	50%
Industrias John Crane de Mexico SA	(5) Mexico	10%
John Crane (Angola) Prestacao De Servicos Limitada	(6) Angola	10%
John Crane Peru SA	(7) Peru	1%
John Crane Sealing Systems India Pvt Ltd	(8) India	1%
John Crane Belgium SA	(9) Belgium	0%
John Crane Endustriyel Sizmirmazlik Sistemleri Limited	(10) Turkey	0%
John Crane Chile SA	(11) Chile	0%

Ref: Registered Office:

- (1) Warszawska 153, 43-300 Bielsko-Biala, Poland
- (2) 9/311, 31st Floor, Um Tower, Ramkhamhaeng Road, Suanluang District, Bangkok, Thailand
- (3) Riverside One, Sir John Rogerson's Quay, Dublin 2, 662881, Ireland
- (4) 207, Jalan Tun Razak, Suite 13.03, 13th Floor, Menara Tan & Tan, Kuala Lumpur, 50400, Malaysia
- (5) Poniente 152, #667, Industrial Vallejo, Azcapotzalco, Mexico City, Mexico, CP 02300
- (6) Rue Kwamme Nkrumah, Torres Impor-Africa, 3 Andar, APT A, Luanda, Angola
- (7) Av. Guillermo Dansey 2124, Urbanizacion Industrial Conde, Lima, Peru
- (8) No. 11, 1st Phase, Peenya, Industrial Area, Bangalore, 560058, India
- (9) Square De Meeus 18, Brussels, 1050, Belgium
- (10) Huzur Mah. Ahmet Bayman Caddesi 17, Oto Sanayi Sitesi, 34485 Seyarantepe/Sariyer/Istanbul, Turkey
- (11) Americo Vespucio 2542, Complejo Empresarial El Cortijo, Conchali, Santiago, Chile

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

9. Debtors

	2021	2020
	£000	£000
Due within one year		
Amounts owed by group undertakings	52,269	50,346
Other debtors	73	73
	52,342	50,419

Amounts owed by group undertakings have been loaned to John Crane Group Limited with the principal loan and all interest earned payable on demand or if not called at the latest on the backstop date of 31 July 2024. Interest is paid annually at the 12 month GBP LIBID rate.

10. Called up share capital

	2021	2020
	£000	£000
Authorised		
100,000 (2020 - 100,000) Ordinary shares of £1.00 each	100	100
Allotted, called up and fully paid		
75,000 (2020 - 75,000) Ordinary shares of £1.00 each	75	75

11. Related party transactions

The Company has taken advantage of the exemption under IAS 24 "Related Party Transactions" to not disclose transactions with key management personnel or companies which are wholly owned within the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

12. Controlling party

The Company is a wholly owned subsidiary of John Crane Group Limited.

The ultimate controlling party of the Company is Smiths Group plc, which is the parent undertaking of the smallest and largest group to prepare consolidated financial statements. Smiths Group plc is incorporated in the United Kingdom and registered in England and Wales.

The annual report and financial statements of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, 4th Floor, 11-12 St James's Square, London, SW1Y 4LB.

13. Contingent Liability

The Company also has a contingent liability under a composite banking arrangement with other companies in the Group, limited to the amount standing to the credit of the Company's own bank account.