

Registered Number 894638

**GRASEBY LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2008**

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# **GRASEBY LIMITED**

## **REPORT AND ACCOUNTS 2008**

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# **GRASEBY LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited accounts for the year ended 31 July 2008.

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The Company's principal activity in the year is that of an investment holding Company. There has been no significant change in this activity during the year.

The Company's principal source of income is interest from group undertakings.

The Company has investments of £39.8 million (2007: £39.8 million).

The Company's profit for the year is £3.1 million (2007: £2.4 million).

### **FUTURE OUTLOOK**

It is not envisaged that the Company will initiate any plans to restructure its principal activity in the forthcoming period. It is expected that the Company will maintain its current level of performance in the forthcoming period.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Smiths Group plc and are not managed separately. Accordingly, the principal risks and uncertainties of Smiths Group plc, which include those of the Company, are discussed on pages 30 and 31 of the group's annual report and accounts which do not form part of this report.

### **FINANCIAL RISK MANAGEMENT**

Financial risks are managed on a Group basis. See the financial instruments note in the annual report and accounts of Smiths Group plc for details of how the Group manages foreign exchange rate risks, interest rate risks, credit risks and liquidity risks.

### **KEY PERFORMANCE INDICATORS**

The directors of Smiths Group plc manage the Group's operations on a consolidated basis using divisional KPI's. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate. The development, performance and position of Smiths Group plc is discussed on pages 12 to 28 of the group's annual report which does not form part of this report.

### **DIRECTORS**

The directors who held office during the year (except as noted) are given below:

D.A. Penn	(Resigned – 28 November 2008)
S. L. O'Brien	(Resigned – 31 July 2008)
S. L. Cameron	(Appointed – 28 November 2008)
D. A. R. Broad	(Appointed – 17 December 2008)

# **GRASEBY LIMITED**

## **DIRECTORS' REPORT**

### **AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS**

Each person who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and

(b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

### **AUDITORS**

PricewaterhouseCoopers LLP will remain as auditors by virtue of an elective resolution to dispense with the holding of annual general meetings and the appointment of auditors, passed on 5 June 1998.

By order of the Board



**D. A. R. Broad**  
Director

14-01-2009

## **GRASEBY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

## GRASEBY LIMITED

We have audited the financial statements of Graseby Limited for the year ended 31 July 2008, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 July 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**PricewaterhouseCoopers LLP** *PricewaterhouseCoopers LLP*  
Chartered Accountants and Registered Auditors  
London

*15 Jan 09*

## GRASEBY LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2008

	Notes	Year ended 31 July 2008 £'000	Period ended 31 July 2007 £'000
Operating result and result on ordinary activities before interest and taxation	2	-	-
Interest receivable and similar income	5	4,405	3,368
Other finance income and expenses	14	<u>(29)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		4,376	3,368
Tax on profit on ordinary activities	6	<u>(1,233)</u>	<u>(1,003)</u>
<b>Profit for the financial year/period</b>	12	<u><u>3,143</u></u>	<u><u>2,365</u></u>

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year/period stated above and their historical cost equivalents.

# **GRASEBY LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2008**

	<b>Notes</b>	<b>Year ended 31 July 2008 £'000</b>	<b>Period ended 31 July 2007 £'000</b>
Profit for the financial year/period		3,143	2,365
Actuarial gain/(loss) relating to the pension scheme	14	91	(86)
Taxation recognised on actuarial gain/(loss) - deferred		<u>51</u>	<u>-</u>
<b>Total recognised gains and losses relating to the year/period</b>		<u><b>3,285</b></u>	<u><b>2,279</b></u>




# **GRASEBY LIMITED**

## **BALANCE SHEET AS AT 31 JULY 2008**

	Notes	31 July 2008 £'000	31 July 2007 £'000
<b>Fixed assets</b>			
Investments	7	<u>39,785</u>	<u>39,785</u>
<b>Current assets</b>			
Debtors			
- falling due within one year	8	75,485	71,306
Cash at bank		<u>55</u>	<u>27</u>
		75,540	71,333
<b>Creditors (amounts falling due within one year)</b>	9	<u>(66,144)</u>	<u>(65,010)</u>
<b>Net current assets</b>		<u>9,396</u>	<u>6,323</u>
<b>Total assets less current liabilities and net assets excluding post retirement healthcare liability</b>		<u>49,181</u>	<u>46,108</u>
Post retirement healthcare liability	14	<u>(288)</u>	<u>(500)</u>
<b>Net assets including post retirement healthcare liability</b>		<u>48,893</u>	<u>45,608</u>
<b>Capital and reserves</b>			
Called up equity share capital	11	16,509	16,509
Share premium account	12	13,850	13,850
Other reserves	12	2,479	2,479
Profit and loss account	12	<u>16,055</u>	<u>12,770</u>
<b>Total shareholders' funds</b>	13	<u>48,893</u>	<u>45,608</u>

The financial statements on pages 5 to 15 were approved by the board of directors on  
and were signed on its behalf by:



**D. A. R. Broad**  
Director

14-01-2009

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The accounts have been prepared in accordance with the Companies Act 1985 and all applicable accounting standards in the United Kingdom (UK GAAP).

These accounts have been prepared on a going concern basis and under the historical cost convention modified to include revaluation of pension assets and liabilities held at fair value.

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

#### **Consolidation**

As the Company is a wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated group accounts, the Company has not prepared consolidated accounts as permitted by s228 of the Companies Act 1985.

#### **Changes in accounting policy**

Companies which have adopted "FRS 26 (IAS 39) Financial Instruments: Measurement" are required to implement "FRS 29 (IFRS 7) Financial Instruments: Disclosures" for financial years beginning on or after 1 January 2007. However, as a wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated financial statements including disclosures which comply with 'IFRS 7: Financial instruments: Disclosures', the company is exempt from this standard. Consequently, no changes in accounting policies or disclosures were made in the preparation of these accounts.

#### **Financial assets**

Financial assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price used includes transaction costs unless the asset is being fair valued through the profit and loss account.

The classification of financial assets depends on the purpose for which the assets were acquired. Management determines the classification of an asset at initial recognition and re-evaluates their designation at each reporting date. Assets are classified as: loans and receivables; held to maturity investments; available-for-sale financial assets; or financial assets where changes in fair value are charged (or credited) to the profit and loss account.

The subsequent measurement of financial assets depends on their classification. Loans and receivables and held-to-maturity investments are measured at amortised cost using the effective interest method. Available-for-sale financial assets and 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 account in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously taken to reserves are included in the profit and loss account.

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.

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **1 ACCOUNTING POLICIES (continued)**

#### **Financial liabilities**

Borrowings are initially recognised at the fair value of the proceeds, net of related transaction costs. These transaction costs and any discount or premium on issue are subsequently amortised under the effective yield method through the profit and loss account as interest over the life of the loan, and added to the liability disclosed in the balance sheet. Related accrued interest is included in the borrowings figure.

Borrowings are classified due within one year unless the Company has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

#### **Pension obligations**

Employees of UK group companies are members of the Smiths Industries Pension Scheme. Contributions to the scheme are based upon advice received from independent actuaries. The relevant information for the group as a whole is set out in the consolidated accounts of Smiths Group plc.

In addition, the company has provided in full for the actuarially-assessed future cost of making regular monthly payments to a number of retired employees who agreed to waive their entitlement to post-retirement medical benefits.

#### **Investments**

Investments in subsidiary undertakings and other participating interests are stated at cost less provision for impairment. Any impairment is charged to the profit and loss account as it arises.

#### **Foreign currencies**

Foreign currency transactions are recorded at the exchange rate ruling on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the retranslation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account.

#### **Current taxation**

The tax on ordinary activities represents the amount received/paid for group relief in respect of tax losses surrendered/claimed in the current year. All current tax liabilities have been assumed by Smiths Group plc, the ultimate parent Company.

#### **Deferred taxation**

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are the difference between the Company's taxable profits and its results as disclosed in the financial statements, arising from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred assets are recognised only when their recovery is considered probable.

Deferred tax is not discounted.

### **2 OPERATING RESULT**

The audit fee in respect of this Company has been borne by another Smiths Group Company. Auditors' remuneration for non-audit services was £nil (2007: £nil).

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **3 DIRECTORS' REMUNERATION**

None of the directors of the Company received any remuneration in respect of their services as directors of the Company (2007: £nil).

### **4 EMPLOYEES**

The Company has no active employees (2007: none). Employees of other Smiths Group companies perform all administration of the Company's affairs. No charge for these services has been levied upon the Company in the current year or the previous period.

### **5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 July 2008 £'000	Period ended 31 July 2007 £'000
Interest receivable from group undertakings	4,395	3,339
Bank interest receivable	10	29
	<u>4,405</u>	<u>3,368</u>

### **6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 31 July 2008 £'000	Period ended 31 July 2007 £'000
<b>Analysis of tax charge on ordinary activities</b>		
<b>United Kingdom</b>		
Current tax - group relief payment	(1,294)	(1,003)
Deferred tax on post retirement healthcare liability	61	-
Tax on profit on ordinary activities	<u>(1,233)</u>	<u>(1,003)</u>

The tax for the year/period is different from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 July 2008 £'000	Period ended 31 July 2007 £'000
Profit on ordinary activities before taxation	<u>4,376</u>	<u>3,368</u>
UK corporation tax at 29.33% (2007:30%)	(1,283)	(1,010)
Effects of:		
Difference between pension contribution relief and net pension cost charge	<u>(11)</u>	<u>7</u>
Group relief surrendered from fellow subsidiary:		
Current year	(1,294)	(1,003)
Group relief payment	<u>1,294</u>	<u>1,003</u>
Total current tax	<u>(1,294)</u>	<u>(1,003)</u>

A deferred tax asset of £112,000 (2007: £nil) has been recognised relating to the expected future tax relief on pension contributions. This asset was not recognised in previous years because, due to the anticipated availability of group relief, the directors did not anticipate there being sufficient taxable profits.

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **7 FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £'000	Shares in other group undertakings £'000	Total £'000
<b>Cost</b>			
At 1 August 2007 and 31 July 2008	<u>51,910</u>	<u>175</u>	<u>52,085</u>
<b>Provision for permanent diminution in value</b>			
At 1 August 2007 and 31 July 2008	<u>12,300</u>	<u>-</u>	<u>12,300</u>
<b>Net book value</b>			
At 31 July 2008 and At 31 July 2007	<u>39,610</u>	<u>175</u>	<u>39,785</u>

In the opinion of the Directors the value of investments in subsidiary undertakings is not less than the aggregate amount at which they are shown in the Company's balance sheet.

#### **Shares in subsidiary undertakings**

The principal subsidiaries at 31 July 2008, which all operate in their country of incorporation, are listed below:

	Country of incorporation	Interest directly held	Class of capital	Principal activity
<b>Domestic subsidiary undertakings</b>				
Pye of Cambridge Limited	England	100%	Ordinary	Dormant Investment holding
Tace Limited	England	100%	Ordinary	Investment holding
Graseby Overseas Holdings Limited	England	100%	Ordinary	Investment holding

#### **Shares in other group undertakings**

	Country of incorporation	Interest directly held	Class of capital	Principal activity
<b>Domestic other group undertakings</b>				
Flexible Technology Limited	Scotland	100%	Cumulative redeemable preference	Manufacture of electronic components

### **8 DEBTORS**

	31 July 2008 £'000	31 July 2007 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	11	6
Amounts owed by group undertakings	75,462	71,291
Other debtors	<u>12</u>	<u>9</u>
<b>Total debtors</b>	<u>75,485</u>	<u>71,306</u>

The amount owed by the immediate parent undertaking is unsecured, carries interest at 12 month sterling LIBID rates, has no fixed repayment date and is redeemable on demand. The amount owed by the other group undertaking, falling due within one year, is repayable on demand and carries interest at 12 month LIBOR rates plus a margin of 1.5%. The Directors regard these as debtors due within one year.

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **9 CREDITORS – amounts falling due within one year**

	31 July 2008 £'000	31 July 2007 £'000
Amounts due to group undertakings	66,031	64,891
Other creditors	113	119
	<u>66,144</u>	<u>65,010</u>

The amounts due to group undertakings are unsecured, interest free, have no fixed repayment date and are redeemable on demand. The Directors regard these as creditors due within one year.

### **10 FINANCIAL INSTRUMENTS**

#### **Maturity profile of financial instruments**

	Investments in non-equity shares	Amounts owed by group undertakings	Amounts owed to group undertakings
<b>At 31 July 2008</b>			
<b>Maturity of financial assets/(liabilities)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
No contractual maturity date	175	-	-
On demand	-	75,362	(62,839)
	<u>175</u>	<u>75,362</u>	<u>(62,839)</u>
<b>At 31 July 2007</b>			
<b>Maturity of financial assets/(liabilities)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
On demand	175	-	-
	-	71,282	(62,848)
	<u>175</u>	<u>71,282</u>	<u>(62,848)</u>

The maturity analysis of amounts owed by and due to group undertakings excludes debtors and creditors arising from trading activities. A credit period of 30 days is given for intra-group trading invoices.

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **11 CALLED UP SHARE CAPITAL**

	31 July 2008 £'000	31 July 2007 £'000
<b>Authorised</b>		
83,000,000 ordinary shares of £0.25 each	<u>20,750</u>	<u>20,750</u>
<b>Issued and fully paid</b>		
66,034,995 ordinary shares of £0.25 each	<u>16,509</u>	<u>16,509</u>

### **12 RESERVES**

	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 August 2007	13,850	2,479	12,770	29,099
Profit for the financial year	-	-	3,143	3,143
Actuarial gain on pension scheme	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
At 31 July 2008	<u>13,850</u>	<u>2,479</u>	16,055	32,384
Post retirement healthcare reserve (PHRC)			<u>400</u>	<u>400</u>
Profit and loss account reserve excluding PRHC			<u>16,455</u>	<u>32,784</u>

### **13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 July 2008 £'000	31 July 2007 £'000
Profit for the financial year/period	3,143	2,365
Other recognised gains and losses relating to the year/period	<u>142</u>	<u>(86)</u>
Net addition to shareholders' funds	3,285	2,279
Opening shareholders' funds	<u>45,608</u>	<u>43,329</u>
Closing shareholders' funds	<u>48,893</u>	<u>45,608</u>

### **14 POST RETIREMENT HEALTHCARE LIABILITY**

The Company operates a post-retirement benefit scheme in respect of some past employees. Medical insurance cover is provided for a small number of retirees and another group is in receipt of small monthly payments in lieu of the insurance cover. The scheme is unfunded and is accounted for on a defined benefit basis.

# **GRASEBY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

### **14 POST RETIREMENT HEALTHCARE LIABILITY (continued)**

For the purposes of FRS17, independent actuaries updated the latest full actuarial valuation of the Scheme as at 31 March 2006 in order to assess the liabilities at 31 July 2008, using the following principal assumptions:

	<b>2008</b>	<b>2007</b>
Rate of general increase in salaries	4.10%	4.10%
Rate of increase in pensions in payment	0.00%	3.10%
Rate of increase in deferred pensions	3.60%	3.10%
Discount rate	6.60%	5.80%
Inflation rate	3.60%	3.10%
Healthcare cost increases	5.00%	5.00%
Government bond yield used as reference for returns on assets	4.80%	4.90%

There were no amounts charged or credited to operating profit (2007: £nil) during the current year or previous period. Interest charges of £29,000 on the liability (2007: £nil) have been recognised in other finance income and expenses.

The scheme is unfunded and has no assets (2007: £nil). The liabilities of the scheme as at 31 July 2008 are:

	<b>31 July 2008 £'000</b>	<b>31 July 2007 £'000</b>
Post retirement medical scheme	(400)	(500)
Related deferred tax asset	112	-
<b>Net post retirement medical liability</b>	<b>(288)</b>	<b>(500)</b>

#### **Changes in present value of scheme obligations:**

	<b>31 July 2008 £'000</b>	<b>31 July 2007 £'000</b>
At beginning of the period	(500)	(438)
Movement in the period:		
Interest on obligations	(29)	-
Actuarial gain/(loss) on liabilities	91	(86)
Benefits paid	38	24
<b>At the end of the period</b>	<b>(400)</b>	<b>(500)</b>

The actuarial gains and losses on liabilities arise from changes in the assumptions underlying the present value of the scheme liabilities.

#### **Changes in present value of scheme assets:**

	<b>31 July 2008 £'000</b>	<b>31 July 2007 £'000</b>
At beginning of the period	-	-
Movement in the year/period:		
Employer contributions	38	24
Benefits paid	(38)	(24)
<b>At the end of the period</b>	<b>-</b>	<b>-</b>



## **GRASEBY LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2008**

#### **15 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption provided by Paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with entities that are part of Smiths Group plc.

#### **16 POST BALANCE SHEET EVENTS**

On 5 November 2008 Tace Limited, which was wholly owned by Graseby Limited, was dissolved. The value of this investment was recovered in full.

#### **17 ULTIMATE PARENT UNDERTAKING**

For the year ended 31 July 2008, Graseby Limited was a wholly owned subsidiary of Smiths Group plc.

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

The annual report and accounts of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, 765 Finchley Road, London NW11 8DS.