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**GRASEBY LIMITED**

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**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**GRASEBY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M Furlonger M J Whyte
<b>Company secretary</b>	L S MacAndrews
<b>Registered number</b>	00894638
<b>Registered office</b>	Level 10, 255 Blackfriars Road London SE1 9AX

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**GRASEBY LIMITED**

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## GRASEBY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

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The directors present their report and the financial statements for the year ended 31 July 2023.

The directors have not prepared a Strategic report, as permitted by section 414B of Companies Act 2006.

#### Principal activity

The principal activity of Graseby Limited (the "Company") was that of an investment holding and financing company. There have been no significant changes in this activity during the year.

#### Results and dividends

The profit for the year, after taxation, amounted to £4,070,000 (2022 - loss £23,000).

The directors have not proposed or paid a dividend in either the current or prior year.

#### Directors

The directors who served during the year were:

M Furlonger  
M J Whyte

#### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

#### Principal risks and uncertainties

The directors of Smiths Group plc manage the Smiths Group risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a disclosure of the Company's risk profile would not be appropriate for an understanding of the activities of Graseby Limited. See the Smiths Group plc Annual Report and Accounts pages 68 to 74 for a description of the Smiths Group plc risk management and key risks.

#### Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) have applied to

M. J. Whyte since 1 August 2021, in relation to certain losses and liabilities which he may incur (or have incurred) to third parties in the course of his professional duties for the Company.

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

*Marc Furlonge*

M Furlonger  
Director

Date: 18 December 2023

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## **GRASEBY LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2023**

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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 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 judgements 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.*

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**GRASEBY LIMITED**

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**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2023**

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	Note	2023 £000	2022 £000
Interest receivable and similar income	4	4,174	131
Interest payable and similar expenses	5	(98)	(150)
Other finance costs		(6)	(4)
<b>Profit/(loss) before tax</b>		<b>4,070</b>	<b>(23)</b>
Tax on profit/(loss)	7	-	-
<b>Profit/(loss) for the financial year</b>		<b>4,070</b>	<b>(23)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain on defined benefit schemes		132	19
<b>Total comprehensive income for the year</b>		<b>4,202</b>	<b>(4)</b>

The notes on pages 6 to 15 form part of these financial statements.

**GRASEBY LIMITED**  
**REGISTERED NUMBER: 00894638**

**BALANCE SHEET**  
**AS AT 31 JULY 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Investments	8	5	5
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	92,086	93,683
Cash at bank and in hand	10	71	13
		<u>92,157</u>	<u>93,696</u>
Creditors: amounts falling due within one year	11	(4,499)	(10,096)
<b>Net current assets</b>		<u>87,658</u>	<u>83,600</u>
Pension liability		(40)	(184)
<b>Net assets</b>		<u><u>87,623</u></u>	<u><u>83,421</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	16,509	16,509
Foreign exchange reserve	14	13,850	13,850
Merger reserve	14	2,479	2,479
Profit and loss account	14	54,785	50,583
		<u><u>87,623</u></u>	<u><u>83,421</u></u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

*Marc Furlonger*

**M Furlonger**  
Director

Date: 18 December 2023

The notes on pages 6 to 15 form part of these financial statements.

**GRASEBY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023**

	<b>Called up share capital</b>	<b>Foreign exchange reserve</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 August 2021</b>	<b>16,509</b>	<b>13,850</b>	<b>2,479</b>	<b>50,587</b>	<b>83,425</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(23)	(23)
Actuarial gains on pension scheme	-	-	-	19	19
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>19</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>
<b>At 1 August 2022</b>	<b>16,509</b>	<b>13,850</b>	<b>2,479</b>	<b>50,583</b>	<b>83,421</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,070	4,070
Actuarial gains on pension scheme	-	-	-	132	132
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>132</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,202</b>	<b>4,202</b>
<b>At 31 July 2023</b>	<b>16,509</b>	<b>13,850</b>	<b>2,479</b>	<b>54,785</b>	<b>87,623</b>

The notes on pages 6 to 15 form part of these financial statements.



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## GRASEBY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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#### 1. General information

The Company is a limited liability company incorporated and domiciled in England. Its registered office is Level 10, 255 Blackfriars Road, London, SE1 9AX.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about the group.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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 makes 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.

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- 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.

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## GRASEBY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

These accounts have been prepared on a going concern basis.

The Company has net current assets of £87m as at 31 July 2023 (2022: £83m) and a profit for the year then ended of £4,074,000 (2022: loss £4,000). The directors have reviewed the value of the Company's investments and the Company's access to committed borrowing facilities including Smiths Group plc's US\$800m multi currency revolving credit facility maturing in May 2028, of which \$800m was undrawn at 31 July 2023. The Company's financial forecasts for the period of going concern, indicate that the Company has sufficient financial resources to meet its financial obligations as they fall due during the period of assessment, considered to be twelve months from the signing date of these financial statements.

The directors of Smiths Group plc, the ultimate parent company of Graseby Limited, have confirmed that Smiths Group plc will continue to provide operational and financial support to the Company to enable it to trade with the Smiths Group and to meet its liabilities in full as they fall due for a period of at least twelve months from the date of approval of these financial statements. The directors have no

reason to believe that the ultimate parent company will not be in a position to provide this support and, accordingly, have prepared the financial statements on a going concern basis.

##### 2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.5 Finance costs

Finance costs are charged to the Profit and Loss Account and Other Comprehensive Income.

##### 2.6 Post retirement healthcare obligations

The liability for post-retirement healthcare schemes recognised in the balance sheet is the present value of the obligation at the balance sheet date.

The obligation is calculated annually by independent actuaries using the projected unit credit method. The present value is determined by discounting the estimated future cash outflows using interest rates of AA-rated corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the period in which they occur, outside of the income statement, and are presented in the statement of comprehensive income. Past service costs are recognised immediately in the income statement.

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## GRASEBY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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## 2. Accounting policies (continued)

### 2.7 Taxation

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

Deferred tax is provided in full using the balance sheet liability method. A deferred tax asset is recognised where it is probable that future taxable income will be sufficient to utilise the available relief.

### 2.8 Valuation of 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.

### 2.9 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

### 2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

#### Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Financial liabilities

##### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the

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**GRASEBY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**3. Key sources of estimation uncertainty**

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.

Retirement benefits

The assumptions used in calculating the costs and obligations of the Company's defined benefit pension plan are set by the Company after consultation with independent professionally qualified actuaries. The assumptions used are estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily occur in practice.

**4. Interest receivable and similar income**

	2023 £000	2022 £000
Interest receivable from group companies	4,173	131
Bank interest receivable	1	-
	<u>4,174</u>	<u>131</u>

**5. Interest payable and similar expenses**

	2023 £000	2022 £000
Bank interest payable	-	1
Interest payable to group companies	98	149
	<u>98</u>	<u>150</u>

**6. Other finance costs**

	2023 £000	2022 £000
Net interest on pension obligations (see note 16)	(6)	(4)
	<u>(6)</u>	<u>(4)</u>

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## GRASEBY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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#### 7. Taxation

The Company has not recognised a tax charge in either the current or prior year.

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 21% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit/(loss) on ordinary activities before tax	4,070	(23)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2022 - 19%)	855	(4)
Effects of:		
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(3)	(5)
Group relief	(852)	9
Total tax charge for the year	-	-

#### 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 previous year, and no payments or receipts will be made in future years while this policy remains in force.

In June 2021, the UK Government enacted an increase in the future UK rate of corporation tax, from 19% to 25%, applying from 1 April 2023. The rate of 25% has been used in considering the value of unrecognised deferred tax asset, as at 31 July 2023. If the Company were to pay UK tax in the future, the payments would be larger.

As at 31 July 2023 the company had unrecognised deferred tax assets of £10,000 (2022: £46,000) with the gross value related to the pensions deficit amounting to £40,000 (2022: £184,000). The recoverability of the deferred tax asset is reviewed regularly and is dependent on the ability to recover against future UK taxable profits. Based on this review it has been determined that the deferred tax asset is not likely to be recoverable in the foreseeable future

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**GRASEBY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**8. Fixed asset investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 August 2022	175
At 31 July 2023	175
<b>Impairment</b>	
At 1 August 2022	170
At 31 July 2023	170
<b>Net book value</b>	
At 31 July 2023	5
At 31 July 2022	5

Investments in unlisted shares comprise 100% of the cumulative redeemable preference shares of Flexible Technology Limited, a private limited company incorporated in Scotland which manufactures electronic components. There are other classes of shares, including ordinary share capital, and the Company has no interest in any of these other classes of shares.

Due to a decline in distributable reserves and the non-payment of dividends, the investment has been impaired to its current carrying value of £5,000.

**9. Debtors**

	2023 £000	2022 £000
Amounts owed by group undertakings	92,086	93,683

Amounts owed by group undertakings comprise a loan of £90,137k (2022: £86,137k) that is repayable on demand and amounts totalling £1,948k (2022: £1,948k) arising from intra-group trading and recharges, which are unsecured, interest free and payable on demand. In the prior year amounts owed to group undertakings included a loan of CAD5,598k which has now been repaid.

The loan carries interest at 12 MONTH SONIA plus a margin of 7.98%.

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**GRASEBY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**10. Cash and cash equivalents**

	<b>2023</b>	2022
	<b>£000</b>	£000
Cash at bank and in hand	<b>71</b>	13

**11. Creditors: Amounts falling due within one year**

	<b>2023</b>	2022
	<b>£000</b>	£000
Amounts owed to group undertakings	<b>4,499</b>	10,096

Amounts owed to group undertakings comprise amounts of £4,499k (2022: £4,499k) arising from intra-group trading and recharges, which are unsecured, interest free and payable on demand. The prior year amounts owed to group undertakings included a loan of CAD5,598k.

**12. Financial instruments**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>92,086</b>	93,696
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(4,499)</b>	(10,096)

Financial assets that are debt instruments measured at amortised cost comprise cash and cash equivalents and loans receivable from group undertakings.

Financial liabilities measured at amortised cost comprise loans payable to group undertakings.

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GRASEBY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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13. Called up share capital

	2023 £000	2022 £000
<b>Allotted, called up and fully paid</b>		
66,034,995 (2022 - 66,034,995) Ordinary shares of £0.25 each	<b>16,509</b>	16,509

14. Reserves

**Share premium account**

Share premium was £13,850,000 (2022: £13,850,000).

**Merger Reserve**

The merger reserve of £2,497,000 (2022: £2,497,000), was created in 1988 in relation to the acquisitions of CRL Components Inc and Dialight Corporation.

15. Contingent liabilities

The Company 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.



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**GRASEBY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**16. Pension commitments**

The Company operates a post-retirement benefit scheme in respect of 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 accounted for on a defined benefit basis.

Reconciliation of present value of plan liabilities:

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	<b>184</b>	228
Interest cost	<b>6</b>	4
Actuarial (gains)	<b>(132)</b>	(19)
Contributions	<b>(18)</b>	(29)
<b>At the end of the year</b>	<b>40</b>	184
	<b>2023</b>	2022
	<b>£000</b>	£000
Present value of plan liabilities	<b>(40)</b>	(184)
<b>Net pension scheme liability</b>	<b>(40)</b>	(184)

The amounts recognised in profit or loss are as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Interest on obligation	<b>(6)</b>	(4)
<b>Total</b>	<b>(6)</b>	(4)

Actuarial gains arising from changes in assumptions underlying the present value of the scheme liabilities of £132,000 (2022: £19,000) were recognised in the Statement of Comprehensive Income during the period.

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**GRASEBY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**16. Pension commitments (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>5.1</b>	<b>3.5</b>
Mortality rates		
- for a male aged 65 now	<b>21 years</b>	22 years
- at 65 for a male aged 45 now	<b>20 years</b>	23 years
- for a female aged 65 now	<b>23 years</b>	24 years
- at 65 for a female member aged 45 now	<b>24 years</b>	25 years

**17. Controlling party**

As at 31 July 2023, Graseby Limited was a wholly owned subsidiary of Smiths Group plc.

The ultimate parent company 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, Level 10, 255 Blackfriars Road, London, SE1 9AX.