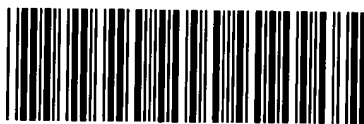


FLEXIBOX INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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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 2 Forbury Place 33 Forbury Road Reading RG1 3AD

FLEXIBOX INTERNATIONAL LIMITED

CONTENTS

	Pages
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditor's Report to the members of Flexibox International Ltd	6 - 7
Statement of 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 2020

Introduction

The Directors present their strategic report on Flexibox International Limited (the "Company") for the year ended 31 July 2020.

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 £25,511k (2019: £858k) for the year. The Company has a strong balance sheet showing net assets of £52,130k (2019: £29,139k) with no liabilities and a cash position of £12k (2019: £10k).

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 2020**

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 90 to 95 of the Group Annual Report and Accounts for the year ended 31 July 2020, which does not form part of this report.

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



Adam Powell
Director
Date: 27 May 2021

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2020**

The Directors present their report and the audited financial statements for the year ended 31 July 2020.

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £22,991k (2019: £858k)

The Company has not paid any dividends during the year (2019: £nil) and the Directors do not recommend the payment of a final dividend (2019: £nil).

Directors

The Directors who served during the year were:

Alistair Michael Rogers
Adam Powell
Ruben Alvarez Sancho

No qualifying indemnity provisions were in place for the Directors of the Company during the year.

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

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.

Disclosure of information to auditor

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 418 of the Companies Act 2006.

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.

Independent Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

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



Adam Powell
Director

Date: 27 May 2021

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 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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.

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 the strategic report and the directors' report 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

- 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 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.



Robert Fitzpatrick (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

2 Forbury Place
Reading
RG1 3AD
28 May 2021

FLEXIBOX INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £000	2019 £000
Income from shares in group undertakings		25,784	612
Interest receivable and similar income	4	297	246
Interest payable and expenses	6	(570)	-
Profit before tax		25,511	858
Tax charge	7	(2,520)	-
Profit for the financial year		22,991	858
Total comprehensive income for the year		22,991	858

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 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	8	1,699	1,699
		<u>1,699</u>	<u>1,699</u>
Current assets			
Debtors	9	50,419	27,430
Cash at bank and in hand		12	10
		<u>50,431</u>	<u>27,440</u>
Total assets		<u>52,130</u>	<u>29,139</u>
Net assets		<u>52,130</u>	<u>29,139</u>
Capital and reserves			
Called up share capital	10	75	75
Profit and loss account		52,055	29,064
Total Equity		<u>52,130</u>	<u>29,139</u>

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



Adam Powell
Director
Date: 27 May 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 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 August 2018	75	28,206	28,281
Comprehensive income for the year			
Profit for the year	-	858	858
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	858	858
	<hr/>	<hr/>	<hr/>
Total transactions with Owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2019	75	29,064	29,139

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 2020

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 £50m 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.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. Accounting policies (continued)

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 Cash flow statement

The Company is a wholly-owned subsidiary of Smiths Group plc and its cash flows are included in the consolidated group cash flow statements of that company. Consequently the Company has taken advantage of the exemption available with FRS 101 from publishing a cash flow statement.

1.5 Judgments and key sources of estimation uncertainty

The preparation of Financial Statements in compliance with FRS 101 requires use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The Company's investment in shares in Group companies are stated at cost less impairment. Impairment reviews are performed annually or when events indicate that the investment may be impaired. Value in use calculations have been used to determine the recoverable amount of the asset. Value in use is calculated as the net present value of the projected post tax, discounted cash flows based on management latest budgets. Any impairment is charged to the profit and loss account as it arises.

1.6 Fixed asset investments

The Company's investments in shares in group companies are stated at cost less provision for impairment. Any impairment is charged to the profit and loss account as it arises.

1.7 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 2020**

1. Accounting policies (continued)

1.8 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 Statement of Comprehensive Income in the period in which they arise.

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.

1.9 Foreign currencies

Foreign currency transactions are recorded at the exchange rate ruling at the date of transaction and monetary assets and liabilities denominated in a foreign currency are retranslated at the closing exchange rate at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, and from the retranslation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account.

1.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.11 Current taxation

Tax is recognised in the Statement of 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 2020**

1. Accounting policies (continued)

1.12 Foreign currency transaction

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 Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of 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 (2019: nil).

The Company has no employees (2019: nil).

4. Interest receivable and similar income

	2020	2019
	£000	£000
Interest received from parent undertaking	297	246
	297	246

5. Auditors Remuneration

Auditors' remuneration for the Company for 2020 was £16k (2019: £12k). 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 2020**

6. Interest payable and similar charges

	2020 £000	2019 £000
Exchange loss from financing transactions	570	-
	570	-
	570	-

7. Tax on profit

	2020 £000	2019 £000
Current tax on profits for the year	2,576	47
	2,576	47
	2,576	47
Group Tax Relief	(56)	(47)
	2,520	-
	2,520	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19.00 % (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	25,511	858
	25,511	858
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	4,847	163
Effects of:		
Non-taxable income	(4,791)	(116)
Withholding tax suffered	2,520	-
Group relief	(56)	(47)
	2,520	-
	2,520	-

At 31 July 2020 the Company had no recognised or unrecognised deferred tax assets or liabilities (2019: nil).

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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

	Subsidiary undertakings £000	Other investments in fellow group companies £000	Total £000
Cost or valuation			
At 1 August 2019	1,974	893	2,867
At 31 July 2020	1,974	893	2,867
Impairment			
At 1 August 2019	1,168	-	1,168
At 31 July 2020	1,168	-	1,168
Net book value			
At 31 July 2020	806	893	1,699
At 31 July 2019	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 2020**

8. Fixed asset investments (continued)

Subsidiary undertakings

The Subsidiary undertakings of Flexibox International Limited at 31 July 2020 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 2020 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 Sizdimazlik 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 2020**

9. Debtors

	2020 £000	2019 £000
Due within one year		
Amounts owed by group undertakings	50,346	27,357
Other debtors	73	73
	<u>50,419</u>	<u>27,430</u>

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

	2020 £000	2019 £000
Authorised		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
75,000 (2019 - 75,000) Ordinary shares of £1.00 each	<u>75</u>	<u>75</u>

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.