

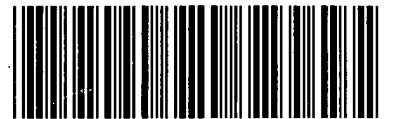
Registered Number 00394688

**FLEXIBOX INTERNATIONAL LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 JULY 2015**

TUESDAY



\*A557W780\*

A19

19/04/2016

#123

COMPANIES HOUSE

**FLEXIBOX INTERNATIONAL LIMITED**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2015**

The Directors present their strategic report on Flexibox International Limited ("the Company") for the year ended 31 July 2015.

**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 on ordinary activities before tax of £507K (2014: £1,488K) for the year. The Company has a strong balance sheet showing net assets of £20,385k (2014: £19,878k) with no liabilities and with a strong cash position.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties 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 in the Group's annual report which does not form part of this report

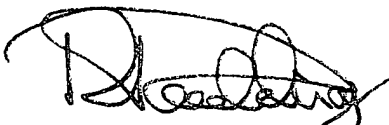
**Principal risks and uncertainties**

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 and the effect of legislation 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.

On behalf of the Board



**R J PADDISON**

Director

Date: 18 December 2015

**FLEXIBOX INTERNATIONAL LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2015**

The Directors present their report and the audited financial statements for the year ended 31 July 2015.

**Future developments**

The Company had a satisfactory year. The Directors are satisfied with the position of the Company as at 31 July 2015 and with its future prospects. The current level of performance is expected to be maintained.

**Dividends**

The Company has not paid any dividends during the year (2014: £nil)

**Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R J Paddison  
D H Tallentire

**Independent 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 418 of the Companies Act 2006.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

**FLEXIBOX INTERNATIONAL LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2015 (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**


The Directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

On behalf of the Board



**R J PADDISON**

Director

Date: 18 December 2015

**FLEXIBOX INTERNATIONAL LIMITED**

***Independent auditors' report to the members of  
Flexibox International Limited***

**Report on the financial statements**

*Our opinion*

In our opinion, Flexibox International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*What we have audited*

The financial statements, included within the Annual Report, comprise:

- Balance Sheet as at 31 July 2015 as at 31 July 2015;
- Profit and Loss account for the year ended 31 July 2015 for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other matters on which we are required to report by exception**

*Adequacy of accounting records and information and explanations received*

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*Directors' remuneration*

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**FLEXIBOX INTERNATIONAL LIMITED**

***Independent auditors' report to the members of  
Flexibox International Limited (continued)***

---

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

---

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Hodgekins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18 December 2015

**FLEXIBOX INTERNATIONAL LIMITED**

**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Note	Year ended 31 July 2015 £'000	Year ended 31 July 2014 £'000
Income from shares in group undertakings		336	1,366
<b>Profit on ordinary activities before interest and taxation</b>		<b>336</b>	<b>1,366</b>
Interest receivable and similar income	2	171	122
<b>Profit on ordinary activities before taxation</b>	3	<b>507</b>	<b>1,488</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	9	<b>507</b>	<b>1,488</b>

The results of the Company are generated from continuing operations.

The Company has no recognised gains or losses during the years ended 31 July 2015 and 31 July 2014 other than those reflected in the profit and loss account above.


There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

**FLEXIBOX INTERNATIONAL LIMITED**

**BALANCE SHEET**  
**AS AT 31 JULY 2015**

	Note	31 July 2015 £'000	31 July 2014 £'000
<b>Fixed assets</b>			
Investments	6	<u>1,821</u>	<u>1,821</u>
		1,821	1,821
<b>Current assets</b>			
Debtors:			
– amounts falling due within one year	7	18,389	73
– amounts falling due after more than one year	7	-	17,981
Cash at bank and in hand		175	3
		<u>18,564</u>	<u>18,057</u>
<b>Net current assets</b>		<u>18,564</u>	<u>18,057</u>
<b>Total assets less current liabilities</b>		<u>20,385</u>	<u>19,878</u>
<b>Capital and reserves</b>			
Called up share capital	8	75	75
Profit and loss account	9	20,310	19,803
<b>Total shareholders' funds</b>	9	<u>20,385</u>	<u>19,878</u>

The financial statements on pages 6 to 14 were approved by the board of Directors on 18 December 2015 and were signed on its behalf by:



.....  
**R J PADDISON**  
Director



**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 2006 and all applicable accounting standards in the United Kingdom (UK GAAP).

These financial statements have been prepared on a going concern basis and under the historical cost convention (as modified to include the revaluation of certain financial instruments).

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

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

**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.

**Cash flow statement**

A cash flow statement in accordance with "FRS 1 (Revised 1996) Cash flow statements" has not been prepared because all the voting rights of the Company are ultimately controlled by Smiths Group plc, which presents a cash flow for the Group within its consolidated financial statements.

**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.

**Cash**

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

**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; 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 are measured at amortised cost using the effective interest method. 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.

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.

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (CONTINUED)**

**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.

**Fair value of financial assets and liabilities**

The fair values of financial assets and financial liabilities are the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods are used to estimate the fair values of the financial instruments:

- cash, trade receivables and payables and floating rate borrowings – the carrying value is a good approximation of the fair value;
- forward exchange contracts, currency swaps, interest rate instruments and embedded derivatives – net present value of the future cash-flows, calculated using market data at the balance sheet date (principally exchange rates and yield curves).

**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.

**Current taxation**

All current tax liabilities have been assumed by Smiths Group plc, the ultimate parent company

**Deferred taxation**

Deferred tax is not recognised and the deferred tax asset or liability has been assumed by Smiths Group plc, the ultimate parent company.

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (CONTINUED)**

**2. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Interest received from parent undertaking	<u>171</u>	<u>122</u>
	<u>171</u>	<u>122</u>

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Auditors' remuneration for both the Company and fellow subsidiary for 2015 was £9k (2014:£9k). This was borne by a fellow subsidiary and has not been incurred by the Company.

**4. DIRECTORS' REMUNERATION AND EMPLOYEE INFORMATION**

No Directors received any emoluments for their services to the Company (2014: nil).

The Company has no employees (2014: nil).

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (CONTINUED)**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Analysis of tax charge on ordinary activities</b>		
<b>United Kingdom</b>		
Current tax	35	27
Group relief obtained from fellow subsidiary for no consideration	(35)	(27)
	<hr/>	<hr/>
Tax on profit on ordinary activities	<hr/> <hr/> -	<hr/> <hr/> -

The tax for the year is lower (2014: lower) than the standard rate of corporation tax in the UK for 2015 of 20.67% (2014: 22.33%). The differences are explained below:

	<b>2015 £'000</b>	<b>2014 £'000</b>
Profit on ordinary activities before taxation	<hr/> 507	<hr/> 1,488
UK corporation tax at 20.67% (2014: 22.33%)	105	332
Effects of:		
Income not subject to UK tax	<hr/> (70)	<hr/> (305)
	35	27
Group relief obtained from fellow subsidiary for no consideration – current year	<hr/> (35)	<hr/> (27)
Total current tax	<hr/> <hr/> -	<hr/> <hr/> -

At 31 July 2015 the Company has no recognised or unrecognised deferred tax assets or liabilities.

The Finance Act 2014<sup>3</sup>, which was substantively enacted on 2 July 2014, included reductions in the rate of UK corporation tax. The main rate of UK corporation tax for the year was 21% from 1 April 2014 to 31 March 2015 and then 20% with effect from April 2015. A further reduction in the rate to 19% will come into effect on 1 April 2017 and to 18% effective from 1 April 2020.

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015**  
**(CONTINUED)**

**6. INVESTMENTS**

	<b>Subsidiary Undertakings £'000</b>	<b>Fixed Asset Investments £'000</b>	<b>Total £'000</b>
<b>Cost:</b>			
At 31 July 2014 & at 31 July 2015	<u>2,096</u>	<u>893</u>	<u>2,989</u>
<b>Amounts provided:</b>			
At 31 July 2014 & at 31 July 2015	<u>(1,168)</u>	<u>-</u>	<u>(1,168)</u>
<b>Net book value:</b>			
At 31 July 2015	<u>928</u>	<u>893</u>	<u>1,821</u>
At 31 July 2014	<u>928</u>	<u>893</u>	<u>1,821</u>

The Directors believe that the carrying value of investments is supported by their underlying net assets.

The subsidiary undertakings of Flexibox International Limited at 31 July 2015 were:

	<b>Country of Incorporation</b>	<b>% of Equity Shares Held</b>
Flexibox Japan Limited	Japan	100%
John Crane Poland Sp. z.o.o.	Poland	100%
John Crane (Thailand) Limited	Thailand	100%
John Crane Flexibox (India) Private Limited	India	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 2015 were:

	<b>Country of Incorporation</b>	<b>% of Equity Shares Held</b>
John Crane Pension Trustee (Ireland) Limited	Ireland	50%
John Crane Malaysia SDN. BHD.	Malaysia	50%
Industria John Crane de Mexico SA	Mexico	10%
John Crane (Angola) Prestacao De Servicos Limitada	Angola	10%
John Crane Peru SA	Peru	1%
John Crane Belgium SA	Belgium	0%
John Crane Endüstriyel Sızdırmazlık Sistemleri Limited	Turkey	0%
John Crane Chile SA	Chile	0%

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015**  
**(CONTINUED)**

**6. FIXED ASSET INVESTMENTS (CONTINUED)**

An impairment review of the fixed asset investments was undertaken at 31 July 2015. The following provisions are held:

The provision at 31 July 2015 in respect of the investment in John Crane Flexibox (India) Private Ltd was £1,168K (2014: £1,168K).

In the opinion of the Directors, no other impairment provisions are required.

**7. DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	18,389	73
<b>Amounts falling after more than one year:</b>		
Amounts owed by group undertaking	-	17,981
	<u>18,389</u>	<u>18,054</u>

In January 2002 a loan of £73K was made to an external party to facilitate a capital restructuring of John Crane (Thailand) Limited. This loan is secured by an interest in preference shares of John Crane (Thailand) Limited.

The amounts owed by the parent undertaking are repayable on 31 July 2016 and carry interest at a 12 month Sterling LIBID rate.

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015**  
**(CONTINUED)**

**8. CALLED-UP SHARE CAPITAL**

	2015 £'000	2014 £'000
Authorised: 100,000 (2014: 100,000) ordinary shares of £1 each	100	100
Issued and fully paid: 75,000 (2014: 75,000) ordinary shares of £1 each	75	75

**9. RESERVES AND RECONCILIATIONS OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 August 2014	75	19,803	19,878
Profit for the year	-	507	507
At 31 July 2015	75	20,310	20,385

**10. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption provided by Paragraph 3(c) of 'FRS 8: Related party disclosures' not to disclose transactions with entities that are, directly or indirectly, wholly owned by Smiths Group plc.

**11. ULTIMATE PARENT UNDERTAKING**

For the year ended 31 July 2015, Flexibox International Limited was a wholly owned subsidiary of John Crane Group Limited.

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 is 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, Cardinal Place, 80 Victoria Street, London, SW1E 5JL.