

Registered number: 00394688

FLEXIBOX INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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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 auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

FLEXIBOX INTERNATIONAL LIMITED

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FLEXIBOX INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2019

Introduction

The Directors present their strategic report on Flexibox International Limited (the "Company") for the year ended 31 July 2019.

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 £858k (2018: £5,622k) for the year. The Company has a strong balance sheet showing net assets of £29,139k (2018: £28,281k) with no liabilities and a cash position of £10k (2018: £321k).

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. In addition to the aforementioned, the underlying risk is the under performance of subsidiaries which is determined by the oil price.

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.

The impact of Brexit on the business is considered to be limited. However, management continues to monitor the political outcome and actions are taken where possible to mitigate any potential risks. Other risks include global and economic conditions, the effect of legislation and 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.

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



Adam Powell
Director
Date: 26 November 2019

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2019**

The Directors present their report and the audited financial statements for the year ended 31 July 2019.

Future developments

The Company had a satisfactory year. The Directors are satisfied with the position of the Company as at 31 July 2019 and with its future prospects. The current level of performance is expected to be maintained.

Results and dividends

The profit for the year, after taxation, amounted to £858k (2018 - £5,622k)

The Company has not paid any dividends during the year (2018: £nil) and the Directors do not recommend the payment of a final dividend (2018: £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:

Alistair Michael Rogers
Adam Powell
Ruben Alvarez Sancho

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

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.

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

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.

Operational 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 risks:

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.

Financing:

Financing is managed on a Group basis. See the financial instruments note in the annual report and financial statements of Smiths Group plc for details of how the Group manages interest rate risks, financial credit risks and liquidity risks.

Going Concern:

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

FLEXIBOX INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Directors' responsibilities statement in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Independent Auditors

Following completion of the current year audit PricewaterhouseCoopers LLP will stand down as the Company's auditors. On the recommendation of the Group Audit & Risk Committee, the Board intends to subsequently appoint KPMG LLP as the Company's new auditors.

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



Adam Powell
Director

Date: 26 November 2019

FLEXIBOX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Flexibox International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2019; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year ended 31 July 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and

FLEXIBOX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

Directors' Report for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the 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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Nigel Comello (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers Ltd
Chartered Accountants and Statutory Auditors
London

26 November 2019

FLEXIBOX INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £000	2018 £000
Income from shares in group undertakings		612	1,807
Profit/(loss) on disposal of investments	4	-	3,725
Interest receivable and similar income	5	246	90
Profit before tax		<u>858</u>	<u>5,622</u>
Tax on profit	7	-	-
Profit for the financial year		<u>858</u>	<u>5,622</u>
Total comprehensive income for the year		<u>858</u>	<u>5,622</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The results of the Company are generated from continuing operations:

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

FLEXIBOX INTERNATIONAL LIMITED
REGISTERED NUMBER:00394688

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	8	1,699	1,699
		<u>1,699</u>	<u>1,699</u>
Current assets			
Debtors	9	27,430	26,261
Cash at bank and in hand		10	321
		<u>27,440</u>	<u>26,582</u>
Total assets less current liabilities		<u>29,139</u>	<u>28,281</u>
Net assets		<u>29,139</u>	<u>28,281</u>
Capital and reserves			
Called up share capital	10	75	75
Profit and loss account		29,064	28,206
Total Equity		<u>29,139</u>	<u>28,281</u>

The financial statements on pages 8 to 19 were approved and authorised for issue by the board and were signed on its behalf by:



Adam Powell
Director
Date: 26 November 2019

FLEXIBOX INTERNATIONAL LIMITED

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

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

FLEXIBOX INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 August 2017	75	22,584	22,659
Comprehensive income for the year			
Profit for the year	-	5,622	5,622
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	5,622	5,622
	<hr/>	<hr/>	<hr/>
Total transactions with Owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2018	75	28,206	28,281
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

These financial statements have been prepared on a going concern basis and under the historical cost convention.

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. See 1.3 below.

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

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

1.3 Impact of new international reporting standards, amendments and interpretations

IFRS 9

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities and the impairment of financial assets.

There has been no material impact on the Company's financial statements as a result of adopting IFRS 9 from 01 August 2018.

IFRS 15

From 01 August 2018, the Company has applied IFRS 15 using the cumulative effect method.

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. Accounting policies (continued)

1.3 Impact of new international reporting standards, amendments and interpretations (continued)

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 01 August 2018.

1.4 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.

1.5 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.

1.6 Critical accounting estimates and judgements

The following critical judgement has been applied by the Directors in the process of applying Company's accounting policies. The principal estimate and judgement that could have had a significant effect upon the financial results relate to the fair value of fixed asset investments.

The Company's investments held by the Group are tested for impairment to see if changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable. 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 risk-adjusted post tax cash flows of the subsidiary which are based on approved budgets and strategic plans and represent the best estimate for future performance. A discount factor of 10.9% has been applied to the model and growth rates of 2.1% applied to extrapolate beyond the most recent forecasts which represent the view of long term average growth rates for the industries in which the subsidiaries operate. The annual impairment test resulted in no impairment of the Company's investments.

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.

1.7 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.

1.8 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 2019**

1. Accounting policies (continued)

1.9 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 have been no material impact on the Company's financial statements as a result of adopting IFRS 9 from 01 August 2018.

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 2019**

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. Nonmonetary 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 (2018: nil).

The Company has no employees (2018: nil).

4. Profit/(loss) on disposal of investments

Within the financial year, there were no disposals of investments. In the prior year, the Company divested Flexibox Japan Limited to John Crane Japan Limited. The profit on disposal was £3,725k.

5. Interest receivable and similar income

	2019	2018
	£000	£000
Interest received from parent undertaking	246	123
Exchange income/(loss) from financing transactions	-	(33)
	246	90

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. Auditors Remuneration

Auditors' remuneration for the Company for 2019 was £12k (2018: £12k). This was borne by John Crane Group Limited and has not been incurred by the Company.

7. Tax on profit

	2019	2018
	£000	£000
Current tax on profits for the year	47	23
	<hr/> 47 <hr/>	<hr/> 23 <hr/>
Group Tax Relief	(47)	(23)
Total current tax	<hr/> - <hr/>	<hr/> - <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00 % (2018 - 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit before tax	858	5,622
	<hr/> 858 <hr/>	<hr/> 5,622 <hr/>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	163	1,068
Effects of:		
Non-taxable income	(116)	(1,045)
Group relief	(47)	(23)
Total tax charge for the year	<hr/> - <hr/>	<hr/> - <hr/>

At 31 July 2019 the Company had no recognised or unrecognised deferred tax assets or liabilities (2018: nil).

The main rate of UK corporation tax for the year was 19% which came into effect from 1 April 2017, a further reduction to 17% is effective from 1 April 2020.

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

8. Fixed asset investments

	Subsidiary undertakings £000	Other investments in fellow group companies £000	Total £000
Cost or valuation			
At 1 August 2018	1,974	893	2,867
At 31 July 2019	<u>1,974</u>	<u>893</u>	<u>2,867</u>
Impairment			
At 1 August 2018	1,168	-	1,168
At 31 July 2019	<u>1,168</u>	<u>-</u>	<u>1,168</u>
Net book value			
At 31 July 2019	<u>806</u>	<u>893</u>	<u>1,699</u>
At 31 July 2018	<u>806</u>	<u>893</u>	<u>1,699</u>

Within the financial year, there were no divestments or investments made. In prior year, the Company divested the shareholding in Flexibox Japan Limited to John Crane Japan Inc (part of John Crane Group Limited ultimately controlled by Smiths Group plc). The profit on disposal was £3,725k.

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 2019**

8. Fixed asset investments (continued)

Subsidiary undertakings

The Subsidiary undertakings of Flexibox International Limited at 31 July 2019 were:

Name	Principal activity	Class of shares	Holding
John Crane Flexibox (India) Private Limited (1)	Manufacturing mechanical seals and flexible power transmission couplings.	Ordinary	100%
John Crane Poland Sp.Z.O.O. (2)	Manufacturing mechanical seals and flexible power transmission couplings.	Ordinary	100%
John Crane (Thailand) Limited (3)	Manufacturing mechanical seals and flexible power transmission couplings.	Ordinary	100%

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

8. Fixed asset investments (continued)

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

The other fixed asset investments held by Flexibox International Limited at 31 July 2019 were:

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

Ref: Registered Office:

- (1) No. 11, 1st Phase, Peenya, Industrial Area, Bangalore, 560058, India
- (2) Warszawska 153, 43-300 Bielsko-Biala, Poland
- (3) 9/311, 31st Floor, Um Tower, Ramkhamhaeng Road, Suanluang District, Bangkok, Thailand
- (4) Riverside One, Sir John Rogerson's Quay, Dublin 2, 662881, Ireland
- (5) 207, Jalan Tun Razak, Suite 13.03, 13th Floor, Menara Tan & Tan, Kuala Lumpur, 50400, Malaysia
- (6) Poniente 152, #667, Industrial Vallejo, Azcapotzalco, Mexico City, Mexico, CP 02300
- (7) Rue Kwamme Nkrumah, Torres Impor-Africa, 3 Andar, APT A, Luanda, Angola
- (8) Av. Guillermo Dansey 2124, Urbanizacion Industrial Conde, Lima, Peru
- (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

The aggregate of the share capital and reserves as at 31 July 2019 for the subsidiary undertakings and other investments was as follows:

Name	Aggregate of share capital and reserves £000
John Crane Flexibox (India) Private Limited	(1) 114
John Crane Poland Sp.Z.O.O.	(2) 203
John Crane (Thailand) Limited	(3) 489
John Crane Pension Trustee (Ireland) Limited	(4) 114
John Crane Malaysia SON. BHD	(5) 123
Industria John Crane de Mexico SA	(6) 881
John Crane (Angola) Prestacao De Servicos Limitada	(7) 5
John Crane Peru SA	(8) 0
John Crane Belgium SA	(9) 0
John Crane Endustriyel Sizmazlik Sistemleri Limited	(10) 6
John Crane Chile SA	(11) 0

FLEXIBOX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

9. Debtors

	2019	2018
	£000	£000
Due within one year		
Amounts owed by group undertakings	27,357	26,188
Other debtors	73	73
	<u>27,430</u>	<u>26,261</u>

Amounts owed by group undertakings have been loaned to John Crane Group Limited with the principal loan and all interest earned payable on 31 July 2024 or on demand. Interest is paid annually at the 12 month GBP LIBID rate.

10. Called up share capital

	2019	2018
	£000	£000
Authorised		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
75,000 (2018 - 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 FRS 101 to not disclose transactions with key management personnel or companies which are wholly owned within the Group.

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