

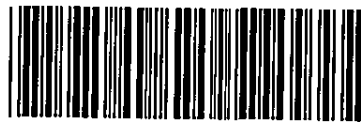
Registered Number 00394688

FLEXIBOX INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

WEDNESDAY



A36G27SA

A07

23/04/2014

#62

COMPANIES HOUSE

FLEXIBOX INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013

The Directors present their report and the audited financial statements for the year ended 31 July 2013

Business review and principal activities

The principal activity of Flexibox International Limited ('the Company') is that of an intermediary 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 £1,092,000 (2012 £1,122,000) for the year. The Company has not paid any dividends during the year (2012 £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 2013 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

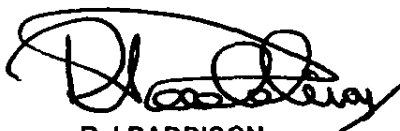
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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 19 December 2013

FLEXIBOX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

We have audited the financial statements of Flexibox International Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 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). 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 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2013 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

Opinion on other matter prescribed by the Companies Act 2006

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

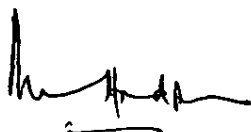
FLEXIBOX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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
- 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, or
- The Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



MARTIN HODGSON (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 December 2013

FLEXIBOX INTERNATIONAL LIMITED

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013

	Notes	Year ended 31 July 2013 £'000	Year ended 31 July 2012 £'000
Income from shares in group undertakings		872	895
Profit on ordinary activities before interest and taxation		872	895
Interest receivable and similar income	2	220	227
Profit on ordinary activities before taxation	3	1,092	1,122
Tax on profit on ordinary activities	5	57	(113)
Profit for the financial year	10	1,149	1,009

The results of the Company are generated entirely from continuing operations

The Company has no recognised gains or losses during the years ended 31 July 2013 and 31 July 2012 other than those reflected in the profit and loss account above

There is no material difference between the profit on ordinary activities above and their historical costs equivalent

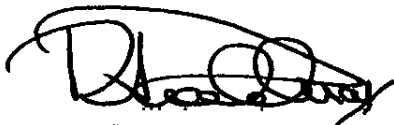
FLEXIBOX INTERNATIONAL LIMITED

REGISTERED NUMBER 00394688

BALANCE SHEET
AS AT 31 JULY 2013

	Notes	31 July 2013 £'000	31 July 2012 £'000
Fixed assets			
Investments	6	<u>1,820</u>	<u>1,820</u>
		1,820	1,820
Current assets			
Debtors			
– amounts falling due within one year	7	73	73
– amounts falling due after more than one year	7	16,495	15,404
Cash at bank and in hand		<u>2</u>	<u>1</u>
		16,570	15,478
Creditors (amounts falling due within one year)	8	-	(57)
Net current assets		<u>16,570</u>	<u>15,421</u>
Total assets less current liabilities		<u>18,390</u>	<u>17,241</u>
Capital and reserves			
Called up share capital	9	75	75
Profit & loss account	10	18,315	17,166
Total shareholders' funds	10	<u>18,390</u>	<u>17,241</u>

The financial statements on pages 5 to 13 were approved by the board of Directors on 19 December 2013 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 2013

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 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 principle 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 2013
(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 2013
(CONTINUED)

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £'000	2012 £'000
Interest received from parent undertaking	<u>220</u>	<u>227</u>
	<u>220</u>	<u>227</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for 2013 and 2012 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 (2012 nil)

Retirement benefits are accruing to 1 Director (2012 1) under a defined benefit pension scheme During the financial year 2 Directors (including the highest paid Director) (2012 1) exercised options over shares of Smiths Group plc and 1 Director (including the highest paid Director) (2012 1) is entitled to receive share options in Smiths Group plc under long term incentive schemes

The Company has no employees (2012 nil)

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013
(CONTINUED)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013	2012
	£'000	£'000
Analysis of tax (credit)/ charge on ordinary activities		
United Kingdom		
Current tax	52	57
Adjustment in respect of prior period	(57)	-
Group relief surrendered (from)/to fellow subsidiary for no consideration	(52)	-
Current tax on foreign income for the year	-	56
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>(57)</u>	<u>113</u>

The tax for the year is different (2012 different) from the standard rate of corporation tax in the UK for 2013 of 23.67% (2012 25.33%). The differences are explained below

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	<u>1,092</u>	<u>1,122</u>
UK corporation tax at 23.67% (2012 25.33%)	258	284
Effects of		
Income not subject to UK taxation	(206)	(227)
Foreign tax suffered	-	56
	<u>52</u>	<u>113</u>
Adjustment in respect of prior period	(57)	-
Group relief surrendered (from)/to fellow subsidiary for no consideration – current year	(52)	(57)
Group relief payment	-	57
	<u> </u>	<u> </u>
Total current tax	<u>(57)</u>	<u>113</u>

At 31 July 2013 the Company has no recognised or unrecognised deferred tax assets or liabilities

Legislation to reduce the main rate of UK corporation tax from 24% to 23% from 1 April 2013 was enacted in the Finance Act 2012. Further reductions to the main rate to 21% from 1 April 2014, and to 20% from April 2015 were announced by the Chancellor in December 2012 and March 2013 respectively.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013
(CONTINUED)

6 FIXED ASSET INVESTMENTS

	Subsidiary Undertakings £'000	Fixed Asset Investments £'000	Total £'000
Cost:			
At 1 August 2012 & at 31 July 2013	<u>2,096</u>	<u>892</u>	<u>2,988</u>
Amounts provided:			
At 1 August 2012 & at 31 July 2013	<u>(1,168)</u>	<u>-</u>	<u>(1,168)</u>
Net book value:			
At 31 July 2013	<u>928</u>	<u>892</u>	<u>1,820</u>
At 31 July 2012	<u>928</u>	<u>892</u>	<u>1,820</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 2013 were

	Country of Incorporation	% of Equity Shares Held
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 2013 were

	Country of Incorporation	% of Equity Shares Held
John Crane Pension Trustee (Ireland) Limited	Ireland	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 2013
(CONTINUED)

6 FIXED ASSET INVESTMENTS (CONTINUED)

An impairment review of the fixed asset investments was undertaken at 31 July 2013. The following provisions are held:

The provision at 31 July 2013 in respect of the investment in John Crane Flexibox (India) Private Ltd was £1,168,000 (2012: £1,168,000).

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

7. DEBTORS

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Loan	73	73
Amounts falling after more than one year:		
Amounts owed by the parent undertaking	16,495	15,404
	<u>16,568</u>	<u>15,477</u>

In January 2002 a loan of £73,400 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.

8 CREDITORS

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed to ultimate parent undertaking	-	57
	<u>-</u>	<u>57</u>

The amounts owed to the ultimate parent undertaking are non-interest bearing and have no fixed term for repayment.

FLEXIBOX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2013
(CONTINUED)

9. CALLED UP SHARE CAPITAL

	2013	2012
	£'000	£'000
Authorised 100,000 (2012 100,000) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid 75,000 (2012 75,000) ordinary shares of £1 each	<u>75</u>	<u>75</u>

10. RESERVES

	Called up share capital £'000	Profit & loss account £'000	Total £'000
At 1 August 2012	75	17,166	17,241
Profit for the year	-	1,149	1,149
At 31 July 2013	<u>75</u>	<u>18,315</u>	<u>18,390</u>

11. 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

12. ULTIMATE PARENT UNDERTAKING

For the year ended 31 July 2013, 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