

FLIGHTSPARES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2009



FLIGHTSPARES LIMITED

REPORT AND ACCOUNTS 2009

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FLIGHTSPARES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 July 2009

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company does not trade and has no active subsidiaries. The only activity in the year was the partial recovery of an amount due from a former customer which is in liquidation.

FUTURE OUTLOOK

The directors expect the Company to be dormant for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks 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 on pages 42 to 45 of the Group's Annual report which does not form part of this report.

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 the financial instruments note included in the Group's Annual report which does not form part of this report.

KEY PERFORMANCE INDICATORS

The directors of Smiths Group plc manage the Group's operations on a consolidated basis using key performance indicators. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate. The development, performance and position of Smiths Group plc is discussed in the Business Review section of the Group's Annual report which does not form part of this report.

DIRECTORS

The directors who held office during the period (except as noted) are given below.

D A Penn	(Resigned – 28 November 2008)
N R Burdett	(Appointed – 28 November 2008)
M Fox	(Appointed – 17 December 2008)

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.

By order of the Board



M Fox
Director
7 December 2009

FLIGHTSPARES LIMITED

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 elected to prepare 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.

FLIGHTSPARES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLIGHTSPARES LIMITED

We have audited the financial statements of Flightspares Limited for the year ended 31 July 2009 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 Directors' Responsibilities Statement 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 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 Sections 495 and 496 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.

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 2009 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.

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


Stuart Watson (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

7.12.2009

FLIGHTSPARES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2009

	Notes	Year ended 31 July 2009 £'000	Year ended 31 July 2008 £'000
Administrative expenses	2	<u>2</u>	<u>-</u>
Operating profit		2	-
Tax on profit on ordinary activities	5	<u>(1)</u>	<u>-</u>
Profit for the financial year	9	<u>1</u>	<u>-</u>

The profit for the year arose from discontinued activities

The Company has no recognised gains or losses during the years ended 31 July 2009 and 31 July 2008 other than those reflected in the profit and loss account above

There is no material difference between the profit for the financial years stated above and the profit calculated on a historical cost basis

BALANCE SHEET AS AT 31 JULY 2009

	Notes	31 July 2009 £'000	31 July 2008 £'000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors			
- falling due within one year	7	2	-
- falling due after one year	7	3,839	3,839
Net current assets		<u>3,841</u>	<u>3,839</u>
Net assets		<u>3,841</u>	<u>3,839</u>
Capital and reserves			
Called up share capital	8	50	50
Share premium account	9	7,042	7,042
Profit and loss account	9	<u>(3,251)</u>	<u>(3,253)</u>
Total shareholders' funds	10	<u>3,841</u>	<u>3,839</u>

The financial statements on pages 4 to 9 were approved by the board of directors on 7 December 2009 and were signed on its behalf by



M Fox
Director

FLIGHTSPARES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES

Basis of preparation

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

These accounts 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

Consolidation

As the Company is a wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated group accounts, the Company has not prepared consolidated accounts as permitted by section 400 of the Companies Act 2006

Investments

The Company's investment 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

Trade and other debtors

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected

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

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

FLIGHTSPARES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2009

1. ACCOUNTING POLICIES (continued)

Current taxation

The tax on profit on ordinary activities includes amounts paid or received for Group relief in respect of tax losses claimed and surrendered in the current period. All current tax liabilities have been assumed by Smiths Group plc, the ultimate parent Company.

Deferred taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are the difference between the Company's taxable profits and its results as disclosed in the financial statements, arising from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred assets are recognised only when their recovery is considered probable.

Deferred tax is not discounted.

2. OPERATING PROFIT

	Year ended 31 July 2009 £'000	Year ended 31 July 2008 £'000
Reversal of impairment losses recognised in previous periods on receivables	2	-

The reversal of an impairment loss relates to a payment by the liquidators of a former customer which entered Creditors Voluntary Liquidation in 1993. The trading activity of the Company ceased in 1999.

The audit fee in respect of this Company has been borne by another Smiths Group Company. Auditors' remuneration for non-audit services was £nil (2008: £nil).

3. DIRECTORS' REMUNERATION

The directors of the Company did not receive any remuneration in respect of their services as directors of the Company (2008: £nil).

4. EMPLOYEE INFORMATION

The Company had no active employees (2008: none). Employees of other Smiths Group companies perform all administration of the Company's affairs. No charge for these services has been levied upon the Company in the current or previous years.

5. TAXATION

	Year ended 31 July 2009 £'000	Year ended 31 July 2008 £'000
Analysis of tax charge on ordinary activities		
United Kingdom		
Current tax (group relief payment)	1	-
Tax on profit on ordinary activities	1	-

The tax for the period is consistent with the standard rate of corporation tax in the UK of 28%, after allowing for rounding differences.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2009

6. FIXED ASSET INVESTMENT

At 31 July 2008 the company owned 100% of the issued share capital of Aerospares Limited, a dormant company incorporated in England. The cost of this investment was £100, and it had been fully provided for in previous years. The investment was written off when Aerospares Limited was dissolved on 11 November 2008.

7. DEBTORS

	31 July 2009 £'000	31 July 2008 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	<u>2</u>	<u>-</u>
Amounts falling after more than one year		
Amounts owed by group undertakings	<u>3,839</u>	<u>3,839</u>

Amounts owed by group undertakings comprise an interest free long term loan to the parent company of £3,839,000 and a trading balance of £2,000.

8. CALLED UP SHARE CAPITAL

	31 July 2009 £'000	31 July 2008 £'000
Issued and fully paid		
500,100 ordinary shares of £0.10 each	<u>50</u>	<u>50</u>

The authorised share capital is 501,000 ordinary shares of £0.10 each with an aggregate nominal value of £50,100 (2008: £50,100).

9. RESERVES

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 August 2008	7,042	(3,253)	3,789
Profit for the year	-	1	1
Unclaimed dividend recovered	-	1	1
At 31 July 2009	<u>7,042</u>	<u>(3,251)</u>	<u>3,791</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 July 2009 £'000	31 July 2008 £'000
Profit for the financial period	1	-
Unclaimed dividend recovered	<u>1</u>	<u>-</u>
Net addition to shareholders' funds	2	-
Opening shareholders' funds	<u>3,839</u>	<u>3,839</u>
Closing shareholders' funds	<u>3,841</u>	<u>3,839</u>

FLIGHTSPARES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2009

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 part of Smiths Group plc

12. ULTIMATE PARENT UNDERTAKING

For the year ended 31 July 2009, Flightspares Limited was a wholly owned subsidiary of Smiths Group plc

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 accounts of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, Cardinal Place, 80 Victoria Street, London, SW1E 5JL