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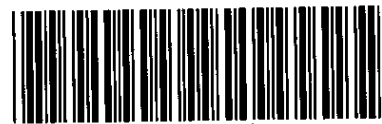
**FLEXIBOX INTERNATIONAL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2016**

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**FLEXIBOX INTERNATIONAL LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 6
<b>Statement of Comprehensive Income</b>	7
<b>Balance Sheet</b>	8
<b>Statement of Changes in Equity</b>	9 - 10
<b>Notes to the Financial Statements</b>	11 - 18

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# FLEXIBOX INTERNATIONAL LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2016

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### Introduction

The Directors present their strategic report on Flexibox International Limited ("the Company") for the year ended 31 July 2016.

### 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 £1,560k (2015: £507k) for the year. The Company has a strong balance sheet showing net assets of £21,945k (2015: £20,385k) 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

### Transition to FRS 101

The shareholders of the Company approved the transition of the financial statements to a new reporting framework, Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101). This has resulted in the adoption of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure, with disclosure exemptions taken on the basis of equivalent disclosures in Smiths Group plc Annual Report.

There have been no changes to previously disclosed total comprehensive income or total equity following the adoption of FRS 101.

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

Further information of principal risks and uncertainties, can be found in the Smiths Group plc Annual Report on pages 52 to 60.

### 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.

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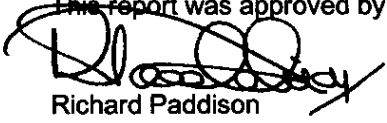
**FLEXIBOX INTERNATIONAL LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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



Richard Paddison  
Director

Date: 29 March 2017

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2016**

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The directors present their report and the audited financial statements for the year ended 31 July 2016.

**Future developments**

The Company had a satisfactory year. The Directors are satisfied with the position of the Company as at 31 July 2016 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 (2015: £nil) and the Directors do not recommend the payment of a final dividend (2015: £nil).

**Directors**

The directors who served during the year were:

Richard Paddison  
David Tallentire

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.

**Financial risk management**

*Operational Credit Risk:*

The Company currently has no credit risk due to the nature of its principle activity.

*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 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 on pages 170 to 175 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.

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## FLEXIBOX INTERNATIONAL LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

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#### Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

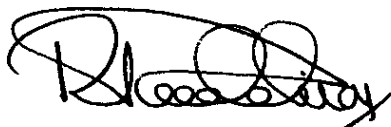
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.

#### Independent Auditors

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.

Approved by the board and signed on its behalf



Richard Paddison  
Director

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## FLEXIBOX INTERNATIONAL LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

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

### **Report on the financial statements**

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#### **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 2016 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 and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 July 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

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### **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.

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### **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.

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#### **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.

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

#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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## FLEXIBOX INTERNATIONAL LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBOX INTERNATIONAL LIMITED

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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.

#### What an audit of financial statements involves

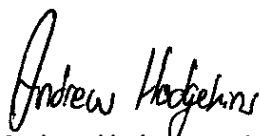
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

St Albans

Date: 29 March 2017



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**FLEXIBOX INTERNATIONAL LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2016**

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	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
Income from shares in group undertakings		<b>1,366</b>	<b>336</b>
Interest receivable and similar income	4	<b>194</b>	<b>171</b>
<b>Profit on ordinary activities before tax</b>		<b>1,560</b>	<b>507</b>
Taxation	6	-	-
<b>Profit and total comprehensive income for the year</b>		<b>1,560</b>	<b>507</b>

The results of the Company are generated from continuing operations.

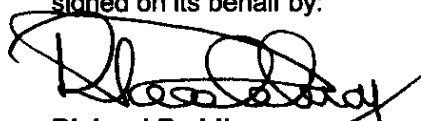
There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

**FLEXIBOX INTERNATIONAL LIMITED**  
**REGISTERED NUMBER: 00394688**

**BALANCE SHEET**  
**AS AT 31 JULY 2016**

	Note	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Investments	7		1,821		1,821
			<u>1,821</u>		<u>1,821</u>
<b>Current assets</b>					
Debtors	8	20,065		18,389	
Cash at bank and in hand		59		175	
		<u>20,124</u>		<u>18,564</u>	
<b>Total assets less current liabilities</b>			<u>21,945</u>		<u>20,385</u>
<b>Net assets</b>			<u>21,945</u>		<u>20,385</u>
<b>Capital and reserves</b>					
Called up share capital	9		75		75
Profit and loss account			21,870		20,310
			<u>21,945</u>		<u>20,385</u>

The financial statements on pages 7 to 18 were approved and authorised for issue by the board and were signed on its behalf by:

  
**Richard Paddison**

Director

Date: 29 March 2017

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**FLEXIBOX INTERNATIONAL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2015	75	20,310	20,385
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,560	1,560
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	1,560	1,560
<b>Total transactions with owners</b>	-	-	-
<b>At 31 July 2016</b>	<b>75</b>	<b>21,870</b>	<b>21,945</b>

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**FLEXIBOX INTERNATIONAL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2015**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2014	75	19,803	19,878
<b>Comprehensive income for the year</b>			
Profit for the year	-	507	507
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	507	507
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 July 2015</b>	<b>75</b>	<b>20,310</b>	<b>20,385</b>

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# FLEXIBOX INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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### 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.

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 Consolidation

As the Company is a wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated group financial statements, the Company has not prepared consolidated financial statements as permitted by section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking, and not about its group.

#### 1.4 Cash flow statement

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

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## FLEXIBOX INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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#### 1. Accounting policies (continued)

##### 1.5 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 asset 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% has been applied to the model and growth rates of 1.5% applied, except for Mexico where 2.3% was 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.

##### 1.6 Fixed asset investments

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

##### 1.7 Cash

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

##### 1.8 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.

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# FLEXIBOX INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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### 1. Accounting policies (continued)

#### 1.9 Fair value of financial assets

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.

#### 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.

#### 1.12 Foreign currency transaction

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items are measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items are measured at fair value using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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'.

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## FLEXIBOX INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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#### 2. General information

Flexibox International Limited is a limited liability company 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 and employee information

No Directors received any emoluments for their services to the Company (2015: nil).

The Company has no employees (2015: nil).

#### 4. Interest receivable and similar income

	2016 £000	2015 £000
Interest received from parent undertaking	183	171
Exchange income from financing transactions	11	-
	<u>194</u>	<u>171</u>

#### 5. Auditors Remuneration

Auditors' remuneration for both the Company and fellow subsidiary for 2016 was £10k (2015:£9k). This was borne by John Crane Group Limited and has not been incurred by the Company.

#### 6. Taxation

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on profits for the year	37	35
	<u>37</u>	<u>35</u>
Group taxation relief	(37)	(35)
	<u>-</u>	<u>-</u>
<b>Tax on profit from ordinary activities</b>	<u>-</u>	<u>-</u>



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**FLEXIBOX INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**6. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	1,560	507
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%)	312	105
<b>Effects of:</b>		
Non-taxable income	(275)	(70)
Group relief	(37)	(35)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

At 31 July 2016 the Company had no recognised or unrecognised deferred tax assets or liabilities.

The main rate of UK corporation tax for the year was 20% which came into effect from 1 April 2015, further reduction to the rate of 19% will come into effect on 1 April 2017 and to 18% effective from 1 April 2020.

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**FLEXIBOX INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**7. Investments**

	<b>Subsidiary undertakings £000</b>	<b>Other investments in fellow group companies £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 August 2015	2,096	893	2,989
At 31 July 2016	<u>2,096</u>	<u>893</u>	<u>2,989</u>
<b>Impairment</b>			
At 1 August 2015	1,168	-	1,168
<b>Net book value</b>			
At 31 July 2016	<u>928</u>	<u>893</u>	<u>1,821</u>
<i>At 31 July 2015</i>	<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.

**Subsidiary undertakings**

The subsidiary undertakings of Flexibox International Limited at 31 July 2016 were:

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</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 %

**FLEXIBOX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

**7. Investments (continued)**

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 2016 were:

Name	Country of incorporation	Holding
John Crane Pension Trustee (Ireland) Limited	Ireland	50%
John Crane Malaysia SON. 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 Endustriyel Sizdirmazlik Sistemleri Limited	Turkey	0%
John Crane Chile SA	Chile	0%

An impairment review of the fixed asset investments was undertaken for the year ended 31 July 2016 as a result no impairment is required.

**8. Debtors**

	2016 £000	2015 £000
<b>Amounts falling due in more than one year</b>		
Other debtors	73	-
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	19,992	18,389
	<u>20,065</u>	<u>18,389</u>

**9. Called up share capital**

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Authorised</b>		
100,000 (2015: 100,000) Ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
75,000 (2015: 75,000) Ordinary shares of £1 each	75	75

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**10. Related party transactions**

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with Smiths Group plc for which the consolidated financial statements are publicly available.

**11. Controlling party**

The Company is a wholly owned subsidiary of John Crane Group Limited.

Ultimate controlling party 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.

**12. FRS 101 adoption**

There are no changes to total equity or total comprehensive income following the adoption of FRS 101.