

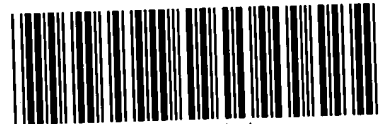
Registered number: 00941519

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

THURSDAY



\*AAXKL294\*

A06

10/02/2022

#62

COMPANIES HOUSE

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

**COMPANY INFORMATION**

---

<b>Directors</b>	James Voyle (appointed 10 September 2020) Paul Harris (resigned 18 October 2021) Mark Kelleher (appointed 18 October 2021)
------------------	--

<b>Registered number</b>	00941519
--------------------------	----------

<b>Registered office</b>	130 Centennial Park, Centennial Avenue Elstree, Hertfordshire UK WD6 3SE
--------------------------	---

<b>Independent auditor</b>	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
----------------------------	---

---

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 5</b>
<b>Directors' Responsibilities Statement</b>	<b>6</b>
<b>Independent Auditor's Report to the Members of Smiths Industries Industrial Group Limited</b>	<b>7 - 10</b>
<b>Statement of Comprehensive Income</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12 - 13</b>
<b>Statement of Changes in Equity</b>	<b>14 - 15</b>
<b>Notes to the Financial Statements</b>	<b>16 - 37</b>

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2021**

---

### **Introduction**

The Directors present their Strategic Report on Smiths Industries Industrial Group Limited ("the Company"), Unit 130 Centennial Park, Elstree, Hertfordshire, WD6 3SE, for the year ended 31 July 2021.

### **Business review**

The results for the year show a loss before taxation of £3,520,000 (2020 - loss £1,651,000) and turnover of £8,736,000 (2020 - £12,957,000). At 31 July 2021 the Company had net assets of £44,270,000 (2020 - £47,221,000). Profitability was negatively impacted by the impairment of the investment in Hypertac SA.

The future performance of the Company will depend on the trading performance of its remaining activities, which all relate to Smiths Interconnect. The Directors have concluded that the business will continue as a going concern.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are:

#### **Foreign exchange**

The Company is exposed to two types of currency risk: transaction risk in respect of products manufactured in one currency region and sold in another currency; and translation risk in that the results of non-UK businesses will translate into differing pounds sterling values depending on the exchange rate. The Company's practices for managing currency risk generally mitigate transaction risk in the short term. Over the longer term, the Company remains exposed to both transaction and translation risk.

#### **Raw material prices**

The Company's products contain various raw materials or purchased components including electronic components, metals and plastics. Any increases or volatility in prices and shortages in supply can affect the Company's performance due to the dependence on internal manufacturers.

### **Financial key performance indicators**

The directors of Smiths Group Plc manage the Group's operations on a consolidated basis using divisional 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 the Smiths Interconnect division of Smiths Group plc, which includes the activities of the Company, is discussed separately in the Strategic Report of the Group's Annual Report and Financial Statements which does not form part of this report.

---

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

---

**Directors' statement of compliance with duty to promote the success of the Company**

The directors of the Company have acted in a way they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members. As part of the Company's deliberations and decision making process, the Board takes into the account the

- (i) likely consequences of any decision in the long-term;
- (ii) the interests of the company's employees;
- (iii) the need to foster the company's relationship with suppliers, customers and others;
- (iv) the impact of the company's operations on the community and the environment; and
- (v) the desirability of the company maintaining a reputation for high standards of business conduct.

The Board considers its stakeholders to be our shareholders, customers, employees and wider workforce, suppliers, local communities and governments, lenders and the environment and also took account the views and interests of a wider set of stakeholders including our regulators, the government, and non-government organisations. During the year ended 31 July 2021, the directors gave careful considerations to the factors set out above in discharging their duties under section 172 of the Companies Act 2006. The Board recognises that building strong relationships with our stakeholders will help deliver the Company's strategy in line with its long-term values and operate the business in a sustainable way.

The Company is part of the Smiths Group and is ultimately owned by Smiths Group plc ('Group'), which is responsible for setting the overall strategy of the Group maintaining oversight of the Group's activities and setting its risk appetite. The Board will sometimes engage directly with certain stakeholders on specific issues, but the size and distribution of our stakeholders and of the Group means that stakeholder engagement often takes place at an operational level. In these instances, the Board is informed of stakeholder views through management reports and presentations. Most decisions made by the Board during the year are deemed to be routine in nature and are taken on regular basis.

Further explanations of how the Group board has considered matters set out in-section 172 (for the Group and for the Company) can be found on pages 90 to 95 of the Group Annual Report and Accounts for the year ended 31 July 2021, which does not form part of this report.

This report was approved by the board on 21 December 2021 and signed on its behalf.

*James Voyle*

**James Voyle**  
Director

---

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2021**

---

The directors present their report and the financial statements for the year ended 31 July 2021.

**Results and dividends**

The loss for the year, after taxation, amounted to £3,422,000 (2020 - loss £1,496,000).

No dividend was paid or proposed during the financial year and the directors do not recommend payment of a final dividend (2020 - £nil).

**Directors**

The directors who served during the year were:

James Voyle (appointed 10 September 2020)  
Paul Harris (resigned 18 October 2021)

**Political contributions**

The company made no political donations during the year.

**Future developments**

A review of the business and future developments is included in the strategic report.

**Financial risk management**

The Company is financed by the wider Smiths group and complies with the Group financial risk management policies. These policies are explained in Note 19 to the Group annual report; Treasury Risk Management (page 182) which does not form part of this report.

**Operational credit risk**

The Company has implemented policies that require appropriate credit checks on potential customers before credit terms are offered. Customer credit limits are set based on credit ratings, past experience and other factors and subject to regular review. Concentrations of credit risk with respect to trade receivables are limited due to the diverse customer base.

**Foreign exchange risks**

The Company makes a proportion of its sales in foreign currencies, principally US dollars and Euros. The resulting foreign exchange risks are managed through natural hedging and forward foreign exchange contracts.

**Employment policies**

It is the Company's policy to provide equal opportunities for employment. The Company continues to be actively involved in all aspects of the training and development of young persons, including initiatives designed to ease the transition from school to work. Disabled people are given full consideration for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

Employees are regularly provided with a wide range of information concerning the performance and prospects of the business in which they are involved by means of Employee Councils; Information and Consultation forums; and other consultative bodies that allow the views of personnel to be taken into account.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

---

**Engagement with suppliers, customers and others**

Relationship with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

**Operational credit risk**

The Company has implemented policies that require appropriate credit checks on potential customers before credit terms are offered. Customer credit limits are set based on credit ratings, past experience and other factors and subject to regular review. Concentrations of credit risk with respect to trade receivables are limited due to the diverse customer base.

**Foreign exchange risks**

The Company makes a proportion of its sales in foreign currencies, principally US dollars and Euros. The resulting foreign exchange risks are managed through natural hedging and forward foreign exchange contracts.

**Overseas branches**

The Company has a branch based in France which trades as Thermaflex.

**Going concern**

These accounts have been prepared on a going concern basis.

The Company has net current assets of £38,150,000 as at 31 July 2021 (2020: £37,309,000) and a loss for the year then ended of £3,422,000 (2019: loss of £1,496,000). The directors have reviewed the value of the Company's investments and the Company's access to committed borrowing facilities including Smiths Group plc's US\$800m multi-currency revolving credit facility maturing in November 2023, of which \$800m was undrawn at 31 July 2021. The Company has sufficient financial resources to meet its financial obligations as they fall due during the period of assessment, considered to be twelve months from the signing date of these financial statements. In light of the COVID-19 pandemic, the Company has considered the potential impact on the financial forecasts which indicate that it will continue to have sufficient resources to meet its financial liabilities as they fall due. The Smiths Group plc has provided a letter of financial support to the Company covering the 12 months from the date of approval should the company require funding.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Independent Auditors**

The auditors, KPMG LLP, were appointed as auditor on 16 July 2020. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed, and therefore KPMG LLP will remain in office.

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

This report was approved by the board on 21 December 2021 and signed on its behalf.

*James Voyle*

James Voyle  
Director



---

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 JULY 2021**

---

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so, 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

---

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

**Opinion**

We have audited the financial statements of Smiths Industries Industrial Group Limited (the 'Company') for the year ended 31 July 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

---

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED (CONTINUED)**

---

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that company management may be in a position to make inappropriate accounting entries.

We considered the risk of fraud related to improper recognition of revenue. Revenue is recognised at the point where title has transferred to the buyer, together with the risks and rewards of ownership. Given that revenue recognition does not require significant management judgment, and revenue converts to cash quickly meaning limited opportunity to manipulate revenue recognition, we assessed there to be limited opportunities to fraudulently adjust revenue. We concluded that there is no fraud risk relating to revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to seldom used accounts and those posted to unusual accounts.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the

---

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED (CONTINUED)**

---

imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption, trade compliance and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED (CONTINUED)**

---

**Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities**

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 fuller description of our responsibilities is provided on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*R. Dodds*

**Rachel Dodds (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

21 December 2021

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 £000	2020 £000
Turnover	4	8,736	12,957
Cost of sales		(8,343)	(11,700)
<b>Gross profit</b>		<b>393</b>	<b>1,257</b>
Distribution costs		(1,594)	(1,583)
Administrative expenses		1,107	(1,171)
<b>Operating loss</b>	5	<b>(94)</b>	<b>(1,497)</b>
Impairment charge - investments	14	(3,520)	(258)
Reorganization costs		-	(21)
Interest receivable and other income	9	122	262
Interest payable and other expenses	10	(28)	(137)
<b>Loss before tax</b>		<b>(3,520)</b>	<b>(1,651)</b>
Tax on loss	11	98	155
<b>Loss for the financial year</b>		<b>(3,422)</b>	<b>(1,496)</b>
Other comprehensive (expense) / income		-	-
<b>Total comprehensive income for the year</b>		<b>(3,422)</b>	<b>(1,496)</b>

The notes on pages 16 to 37 form part of these financial statements.

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**  
**REGISTERED NUMBER: 00941519**

**BALANCE SHEET**  
**AS AT 31 JULY 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	12	1	2
Tangible Assets	13	727	1,010
Investments	14	6,005	9,525
		<u>6,733</u>	<u>10,537</u>
<b>Current assets</b>			
Stocks	15	101	170
Debtors: amounts falling due after more than one year	16	20,439	22,089
Debtors: amounts falling due within one year	16	20,428	17,438
Cash at bank and in hand	17	675	1,031
		<u>41,643</u>	<u>40,728</u>
Creditors: amounts falling due within one year	18	(3,493)	(3,419)
<b>Net current assets</b>		<u>38,150</u>	<u>37,309</u>
<b>Total assets less current liabilities</b>		<u>44,883</u>	<u>47,846</u>
Creditors: amounts falling due after more than one year	19	(613)	(625)
		<u>44,270</u>	<u>47,221</u>
<b>Net assets excluding pension asset</b>		<u>44,270</u>	<u>47,221</u>
<b>Net assets</b>		<u>44,270</u>	<u>47,221</u>
<b>Capital and reserves</b>			
Called up share capital	21	10,001	10,001
Other reserves	22	5,747	5,276
Profit and loss account	22	28,522	31,944
		<u>44,270</u>	<u>47,221</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2021.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**  
**REGISTERED NUMBER: 00941519**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 JULY 2021**

---

*James Voyle*

**James Voyle**  
Director

The notes on pages 16 to 37 form part of these financial statements.



**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2021**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2020	10,001	5,276	31,944	47,221
<b>Comprehensive expense for the year</b>				
Loss for the financial year	-	-	(3,422)	(3,422)
<b>Total comprehensive expense for the year</b>	-	-	(3,422)	(3,422)
Share Based Payments	-	471	-	471
<b>Total transactions with owners</b>	-	471	-	471
<b>At 31 July 2021</b>	<b>10,001</b>	<b>5,747</b>	<b>28,522</b>	<b>44,270</b>

The notes on pages 16 to 37 form part of these financial statements.

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2020**

---

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 August 2019	10,001	4,673	33,440	48,114
<b>Comprehensive (expense)/income for the year</b>				
Loss for the financial year	-	-	(1,496)	(1,496)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-	(1,496)	(1,496)
Equity settled share based payment transactions	-	603	-	603
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	603	-	603
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 July 2020</b>	<b>10,001</b>	<b>5,276</b>	<b>31,944</b>	<b>47,221</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 37 form part of these financial statements.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**1. General information**

The Company is a private limited company and is incorporated in the United Kingdom. The Company's registered address is 130 Centennial Park, Centennial Avenue, Elstree, Hertfordshire, WD6 3SE.

The Company is exempt by virtue of s400 regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (IFRS101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions has been taken.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- 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 and 18A 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

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP stated in thousands.

**Transactions and balances**

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 measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured 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 rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss 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 payable and other costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

**2.4 Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

IFRS 15 sets out the five-step approach for revenue recognition. This requires

- (i) identifying the contract with a customer;
- (ii) identifying the performance obligations in the contract;
- (iii) determining the transaction price;
- (iv) allocating the transaction price to the performance obligations in the contract;
- (v) recognising the revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

Turnover from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Turnover from contracts with customers is measured at its transaction price, being the amount of consideration which the Company expects to be entitled to in exchange for transferring promised goods to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good promised in the contract. Depending on the substance of the contract, turnover is recognised when the performance obligation is satisfied. Equipment revenue is generally recorded at a point in time on delivery or installation.

**2.5 IFRS16 Lease Accounting**

On adoption of IFRS16, the Company recognized a lease liability measured at the present value of

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.5 IFRS16 Lease Accounting (continued)**

lease payments to be made over the remaining lease term, which includes periods covered by renewal options the company is reasonably certain to exercise. In calculating the present value of lease payments, the company used the incremental borrowing rate at the lease commencement date.

Also on adoption of IFRS16, the company recognized right of use assets, which are depreciated over the shorter of the lease term and the useful life of the right of use assets.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Taxation**

Tax is recognised in profit or loss 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 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.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.9 Intangible Assets and Goodwill**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives (years) as follows:

Patents and trademarks	- 10
Computer and software	- 7

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

The goodwill arising from acquisitions of subsidiaries after 1 August 1998 is included in intangible assets, tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Any impairment is recognised immediately in the income statement. Subsequent reversals of impairment losses for goodwill are not recognised.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- up to 25 years
Plant and machinery	- 10% to 25%
Motor vehicles	- 10% to 25%
Fixtures and fittings	- 10% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.11 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.16 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.17 Financial instruments**

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**At amortised cost**

Financial assets at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing assets are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the asset carried into the balance sheet

**Impairment of financial assets**

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for accounts receivable while the general approach is applied to cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is

based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have



---

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period.

These three components are multiplied together, and adjusted for forward-looking information, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in the statement of comprehensive income.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet

---

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of turnover and expenses during the reporting year. Actual results may differ from these estimates. The key estimates and assumptions used in these financial statements are set out below.

**Impairments**

Investments and other assets are tested for impairment if there are any indications of impairment, in accordance with the accounting policy set out above. The recoverable amount of investments and assets are determined based on value in use calculations unless future trading projections cannot be adjusted to eliminate the impact of a major restructuring. The value in use calculations require the use of estimates including projected future cash-flows and other future events.

**Useful economic lives of tangible and intangible assets**

The annual depreciation charge for tangible assets and amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**Recoverability of debtor balances**

A provision for expected credit losses is established when there is objective evidence that amounts due under the original payment terms will not be collected. Expected credit losses are calculated using historical write-offs as a basis with a default risk multiplier applied to reflect country risk premium. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Sale of engineered products	8,736	12,957
	<u>8,736</u>	<u>12,957</u>

Analysis of turnover by country of destination:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	8,705	12,773
Rest of Europe	19	163
Rest of the world	12	21
	<u>8,736</u>	<u>12,957</u>

Timing of revenue recognition:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Goods and services transferred at a point in time	8,736	12,957
	<u>8,736</u>	<u>12,957</u>

**5. Operating loss**

The operating loss is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	147	273
Depreciation of tangible fixed assets	244	423
Amortisation of intangible assets, including goodwill	1	2
Exchange differences	(54)	33
	<u>(54)</u>	<u>33</u>

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**6. Auditors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>59</b>	<b>58</b>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**7. Employees**

Staff costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>4,910</b>	<b>4,736</b>
Social security costs	<b>948</b>	<b>980</b>
Defined contribution scheme	<b>221</b>	<b>227</b>
Share based compensation	<b>471</b>	<b>645</b>
	<b>6,550</b>	<b>6,588</b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
	<b>47</b>	<b>57</b>

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**8. Directors remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	<b>447</b>	<b>376</b>
Company contributions to defined contribution pension scheme	<b>22</b>	<b>12</b>
	<b>469</b>	<b>388</b>
	<b>469</b>	<b>388</b>

The highest paid director received remuneration of £328,000 (2020 - £376,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,000 (2020 - £12,000).

During the year 1 director received shares under the long term incentive schemes (2020 -1).

During the year 1 director exercised their share options (2020 - 1).

**9. Interest receivable and other income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	<b>68</b>	<b>262</b>
Net gain on financial assets carried at fair value	<b>54</b>	<b>-</b>
	<b>122</b>	<b>262</b>
	<b>122</b>	<b>262</b>

**10. Interest payable and other expenses**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	<b>15</b>	<b>16</b>
Interest on lease liabilities	<b>13</b>	<b>15</b>
Net loss on financial assets carried at fair value	<b>-</b>	<b>106</b>
	<b>28</b>	<b>137</b>
	<b>28</b>	<b>137</b>

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**11. Current tax credit**

	<b>2021 £000</b>	<b>2020 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	(98)	(155)
	<u>(98)</u>	<u>(155)</u>
<b>Total current tax</b>	<u>(98)</u>	<u>(155)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(98)</u>	<u>(155)</u>

**Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021 £000</b>	<b>2020 £000</b>
Loss on ordinary activities before tax	(3,520)	(1,651)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(669)	(314)
<b>Effects of:</b>		
Impairment of investment	669	49
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(99)	(152)
Group relief	1	262
<b>Total tax charge for the year</b>	<u>(98)</u>	<u>(155)</u>

**Factors that may affect future tax charges**

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**11. Current tax credit (continued)**

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

**12. Intangible assets**

	Patents £000	Goodwill £000	Computer software £000	Total £000
<b>Cost</b>				
At 1 August 2020	40	7,394	759	8,193
At 31 July 2021	40	7,394	759	8,193
<b>Amortisation</b>				
At 1 August 2020	38	7,394	759	8,191
Charge for the year on owned assets	1	-	-	1
At 31 July 2021	39	7,394	759	8,192
<b>Net book value</b>				
At 31 July 2021	1	-	-	1
At 31 July 2020	2	-	-	2

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**13. Tangible assets**

	<b>Right of Use Assets £000</b>	<b>Plant and machinery £000</b>	<b>Motor vehicles £000</b>	<b>Fixtures and fittings £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>					
At 1 August 2020	920	1,448	116	2,850	5,334
Additions	47	-	-	-	47
Disposals	-	(249)	-	(78)	(327)
At 31 July 2021	967	1,199	116	2,772	5,054
<b>Depreciation</b>					
At 1 August 2020	303	1,340	116	2,565	4,324
Charge for the year on owned assets	170	21	-	53	244
Disposals	-	(216)	-	(78)	(294)
Loss on disposal of assets	-	(33)	-	86	53
At 31 July 2021	473	1,112	116	2,626	4,327
<b>Net book value</b>					
At 31 July 2021	494	87	-	146	727
At 31 July 2020	617	108	-	285	1,010

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	<b>2021 £000</b>	<b>2020 £000</b>
Tangible fixed assets owned	233	393
Right-of-use tangible fixed assets	494	617
	<b>727</b>	<b>1,010</b>



<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**13. Tangible assets (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Property	458	574
Motor vehicles	36	43
	<u>494</u>	<u>617</u>

**Depreciation charge for the year ended**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Property	145	274
Motor vehicles	25	29
	<u>170</u>	<u>303</u>

**Additions to right-of-use assets**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Additions to right-of-use assets	47	920
	<u>47</u>	<u>920</u>

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**14. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 August 2020	9,525
Amounts written off	(3,520)
At 31 July 2021	<u>6,005</u>
<b>Net book value</b>	
At 31 July 2021	<u>6,005</u>
At 31 July 2020	<u>9,525</u>

Due to declining profitability, an impairment charge of £3,520,000 has been incurred in the period in the Company's investment in Hypertac SA to its recoverable amount using fair value less costs of disposal. The recoverable amount is categorised as level 3 based on the carrying value of the entity's net assets.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Hypertac SA	31 Rue Isidore Maille, 76140, Saint Aubin Les Elbeuf, France	Ordinary	100%
Smiths Connectors Tunisia Sarl	Zone Industrielle, Route de Khniss, Rue Isidore Maille, Monastir	Ordinary	0%
Smiths Interconnect Mexico S de R.L. de C.V	Carretera Libre Antiguo Camino Tijuana 20221- B, Fideicomiso el Florido, Tijuana, B.C. 22234	Ordinary	50%

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**15. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>13</b>	<b>4</b>
Finished goods and goods for resale	<b>88</b>	<b>166</b>
	<b>101</b>	<b>170</b>

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**16. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Due after more than one year</b>		
Amounts owed by group companies	<b>20,439</b>	22,089
	<b>20,439</b>	22,089

The interest rate on loans with group undertakings due after more than one year was 0.50% (2020: 0.50%). The interest is calculated at a rate per annum of 12 month GBP LIBID. The loan is repayable by 31 July 2024.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Due within one year</b>		
Trade debtors	<b>1,455</b>	2,874
Amounts owed by group companies	<b>18,683</b>	14,157
Income tax receivable	<b>200</b>	233
Prepayments and accrued income	<b>90</b>	153
Financial instruments	<b>-</b>	21
	<b>20,428</b>	17,438

The interest rate on loans with group undertakings due within one year was 0.50% (2020: 0.50%). The interest is calculated at a rate per annum of 12 month GBP LIBID. The loans are repayable by 31 July 2022.

**17. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>675</b>	1,031
	<b>675</b>	1,031

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**18. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Lease liabilities	59	169
Trade creditors	207	221
Taxation and social security	313	602
Amounts due to group undertakings	694	1,393
Accruals and deferred income	2,220	1,034
	<b>3,493</b>	<b>3,419</b>

**19. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Intercompany loans	169	169
Lease liabilities	444	456
	<b>613</b>	<b>625</b>

**20. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	-	21
Financial assets that are debt instruments measured at amortised cost	41,342	40,304
	<b>41,342</b>	<b>40,325</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(4,106)	(4,044)
	<b>(4,106)</b>	<b>(4,044)</b>

---

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**21. Called up share capital**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Allotted, called up and fully paid</b>		
10,001,000 (2020 - 10,001,000) ordinary shares shares of £1.00 each	<b>10,001</b>	<i>10,001</i>

**22. Reserves**

**Other reserves**

The capital contribution resulting from the provision of Group Share option schemes have been recognized in the Statement of Comprehensive Income.

---

**SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**23. Employee share schemes**

Company employees participate in share schemes and plans that the ultimate parent company, Smiths Group plc operates for the benefit of employees. All entitlements under the schemes relate to the shares of Smiths Group plc. The Company recognises a charge for the benefit of the employee services realised, and a capital contribution from the Group because the Group does not charge the Company for the costs of these options. The nature of the schemes and plans is set out below:

**Smiths Group share option schemes**

**Long Term Incentive Plan (LTIP)**

The LTIP is a share plan under which an award over a capped number of shares will vest after the end of the three year performance period if performance conditions are met. LTIP awards are made to selected senior executives, and have performance conditions relating to underlying revenue growth, growth in headline EPS, ROCE, cash conversion, and free cash-flow.

**Smiths Group Sharesave Scheme (SAYE)**

The SAYE scheme is an HM Revenue & Customs approved all employee savings related share option scheme which is open to all UK employees. Participants enter into a contract to save a fixed amount per month of up to £500 in aggregate for three or five years and are granted an option over shares at a fixed option price, set at a discount to market price at the date of invitation to participate. The number of shares is determined by the monthly amount saved and the bonus paid on maturity of the savings contract. Options granted under the SAYE scheme are not subject to any performance conditions.

**Smiths Excellence Plan (SEP)**

The last SEP grant was issued in October 2019 and vested on 31 July 2021, no further SEP awards have been made. Awards vested after two years, depending on performance on the operational objectives during the first year and continued employment with the Group. There was no re-testing of performance. However, the Remuneration Committee had discretion to adjust vesting rates if material misstatements in reported performance were subsequently identified and awards were subject to clawback provisions in the event of misconduct.

**Range of exercise prices and remaining contractual life**

Options outstanding under LTIP schemes at 31 July 2021 have an exercise price of £0.00 (2020: £0.00), with a weighted average remaining contractual life of 1.4 years (2020: 1.3 years).

Options outstanding under SEP schemes at 31 July 2021 have an exercise price of £0.00 (2020: £0.00), with a weighted average remaining contractual life of 0.0 years (2020: 0.8 year).

Options outstanding under SAYE schemes at 31 July 2021 had exercise prices between £9.14 and £13.00 (2020: £9.00 and £13.00), with a weighted average contractual life of 2.4 years (2020: 3.0 years).

Options were exercised on an irregular basis during the period. The average closing share price over the financial year was 1,508.63p (2020: 1,490.92p).

**Cost of share based payment arrangements**

Included within staff costs is an expense arising from share-based payment transactions of £471,000 (2020: £645,000).

<b>SMITHS INDUSTRIES INDUSTRIAL GROUP LIMITED</b>
---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

---

**24. Related party transactions**

The key management personnel of the company comprise its directors. Details of their remuneration are provided in note 8.

As a subsidiary of Smiths Group plc during the period from 1 August 2020 to 31 July 2021, the company has taken advantage of the exemption of paragraph 17 and 18A of IAS 24 Related Party Disclosures of FRS 101 not to disclose transactions with other wholly owned members of the group headed by Smiths Group plc.

During the year there were no related party transactions (2020 - £Nil).

**25. Controlling party**

At 31 July 2021, Smiths Industries Industrial Group Limited was a wholly owned subsidiary of Smiths Interconnect 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 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, 11-12 St James's Square, London, SQ1Y 4LB.