

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

008146 620

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

☒ What this form is NOT for
You cannot use this form for
an alteration of name
with accounting requirements.

FRIDAY



A04 *A8BZFZPT* 16/08/2019 #59
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ① SMITHS GROUP HOLDINGS NETHERLANDS B.V.

UK establishment number B R 0 1 3 8 7 0

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ② Dutch Civil Code Book 2 Title 2.9

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation or body ③ Dutch Accounting Standards Board

A3 Accounts


Accounts Have the accounts been audited? Please tick the appropriate box.

☒ No. Go to Section A5.

☐ Yes. Go to Section A4.

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A4 Audited accounts		
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>❶ Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ❶		
A5 Unaudited accounts		
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input checked="" type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>	
Part 3 Signature		
	<p>I am signing this form on behalf of the overseas company.</p>	
Signature	<p>Signature</p> <p>X  X</p>	
	<p>This form may be signed by: Director, Secretary, Permanent representative.</p>	

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Peter McBride
Company name	SMITHS GROUP HOLDINGS NETHE
Address	361-3660Buckingham Avenue
Post town	Slough
County/Region	Berkshire
Postcode	S L 1 4 L U
Country	United Kingdom
DX	
Telephone	00441753224000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

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DX 33050 Cardiff.

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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

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Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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Financial statements 31/07/2018

Smiths Group Holdings Netherlands B.V.

Amsterdam, Netherlands



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Annual report of the directors

The directors hereby present the annual financial statements for the year ended 31 July 2018 of Smiths Group Holdings Netherlands B.V. (hereafter "the Company").

Registered Number

The UK registered number for the Company is FC028768. The registered office of the Company is 361-366 Buckingham Avenue, Slough, SL1 4LU. The statutory seat of the Company is Amsterdam where it is registered under company number 33169971.

Business review and principal activities

The Company's principal activity is that of an investment holding company. The Company's principal source of income is dividends from subsidiaries.

For the year ended 31 July 2018, the Company was a wholly owned subsidiary of John Crane Group Limited. The ultimate parent undertaking and controlling party remains Smiths Group plc.

Directors

The directors who held office during the year were as follows:

D. H. Tallentire (resigned 5 January 2018)

A. D. Powell

R. R. Alvarez Sancho

J. F. Donatiello (appointed 5 January 2018)

Future outlook

It is not envisaged that the Company will initiate any further plans to restructure its principal activities in the forthcoming year. The current level of performance is expected to be maintained.

Financial risk management

The Company incurs interest rate risk on interest-bearing receivables and payables (in particular those included under current assets and current liabilities). Where variable interest loans are concerned, the Company incurs risk regarding future cash flows. No financial derivatives for interest rate risk are contracted with regard to the receivables or payables.

The credit risk for the Company largely concerns intra group loan positions. On the basis of a risk analysis, the directors of the Company have determined that there is no material risk at the balance sheet date.

Annual report of the directors (cont.)

The directors of the Company, as part of their "going concern" assessment, have confirmed that the Company has sufficient funds to fulfil its liquidity needs (refer to paragraph 1.3)

The Company incurs currency risks on its intra-group loans receivable since the Company does not make use of forward exchange contracts.

The Company receives a proportion of its dividend income in foreign currencies. Dividend income is translated into the functional currency (i.e. GBP) using the exchange rates prevailing at the dates of the transactions (or the approximate rates).

Due to the nature of the company's activities there are no significant operational or strategic risks. There are no specific risks in relation to laws and regulation other than regular tax, legal and compliance risks which the company complies with.

Risk Appetite

The principal risks of the company are related to exchange rates and the impact of the performance of its subsidiaries on the carrying value of its investment. These risks are managed where possible to reduce the risk to a level that the directors are comfortable with.

Code of Conduct

The company complies with the Smiths Group plc policies on compliance with all employees undergoing regular training on information, security, ethics and bribery and corruption. Further details are available in the Smiths Group Annual Report

Research and Development

As the company's principle activity is as a holding company, no research and development is undertaken in this business.

Slough, UK 31/5/2019

On behalf of the board



A.D. Powell
Director

Financial Statements

Balance sheet as at 31/07/2018

(Before proposed appropriation of result)

		31 July 2018	31 July 2017
	Ref	GBP'000	GBP'000
<i>Assets</i>			
Fixed assets			
Financial fixed assets	5	243,556	385,391
		<hr/> 243,556	<hr/> 385,391
Current assets			
Receivables	6	594,749	433,223
Cash at banks and in hand	7	16	1,058
		<hr/> 594,765	<hr/> 434,281
Current liabilities	8	(28,672)	(34,777)
		<hr/>	<hr/>
Current assets less current liabilities		566,093	399,504
		<hr/>	<hr/>
Net assets		809,649	784,895
		<hr/>	<hr/>
<i>Shareholder's equity and liabilities</i>			
Shareholder's equity			
Called-up and paid-in share capital	9	126,113	126,644
Share premium account		311,692	311,692
Capital reserve		28,074	28,074
Retained earnings		161,832	291,296
Profit for the year		181,938	27,189
		<hr/>	<hr/>
Total equity		809,649	784,895
		<hr/>	<hr/>
		809,649	784,895
		<hr/>	<hr/>

Profit and loss account for the year ended 31/07/2018

		1 August 2017 to 31 July 2018	1 August 2016 to 31 July 2017
	Ref	GBP'000	GBP'000
General and administrative expenses		(18)	(39)
Operating loss		(18)	(39)
Dividend income	11	170,605	20,169
Interest income	12	2,830	3,365
Disposal Income/Expense	15	(77)	4,444
Impairments of participations		9,449	-
Interest expense	13	(420)	(519)
Exchange rate differences	14	(80)	164
Profit before tax		182,289	27,584
Tax on ordinary activities	16	(351)	(395)
Result from ordinary business activities after tax		181,938	27,189

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018

1 General

1.1 Activities

Smiths Group Holdings Netherlands B.V. operates as an intermediate holding company. The Company's principal source of income is dividends from subsidiaries.

1.2 Group structure

The Company is a subsidiary of John Crane Group Limited, United Kingdom. The ultimate parent company is Smiths Group plc, a company resident in the United Kingdom.

1.3 Going concern

The present accounting policies of valuation and determination of result are based on the assumption that the Company is a going concern.

1.4 Consolidation

Consolidated financial statements are not presented as the Company has availed itself of the exemption provisions of Section 408, Book 2 of the Dutch Civil Code. The consolidated annual financial statements of Smiths Group plc for the year ended 31 July 2018, which include the financial data of the Company and its subsidiaries, have been filed at the Chamber of Commerce in Amsterdam.

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide a true and fair view.

1.6 Cash flow statement

The Dutch Accounting Standards Board mandates to include a cash flow statement (DAS 360.104) in the annual financial statements unless

- the capital of the entity is provided by another entity who presents a cash flow statement and

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

1 General (cont.)

1.6 Cash flow statement (cont)

- this cash flow statement is included in annual financial statements that is available in the Netherlands

The Company's cash flow information is included in the cash flow statement presented in the consolidated annual financial statements of the ultimate parent company, Smiths Group plc, for the year ended 31 July 2018, filed at the Chamber of Commerce. Therefore, the Company is exempted from including a cash flow statement in its annual financial statements

1.7 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Such estimates have been used in the valuation of investments in subsidiaries. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question

2 Principles of valuation of assets and liabilities

2.1 General

The annual financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). The annual financial statements are denominated in Great British Pounds in thousands

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation has been stated, valuation is at historical cost. The balance sheet and profit and loss account include references to the notes

2.2 Comparison with prior year

The principles of valuation and determination of result remained unchanged compared to the prior year

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

2 Principles of valuation of assets and liabilities (cont.)

2.3 Foreign currencies

Functional currency

These financial statements have been presented in Great British Pounds, being the functional currency of the Company and the currency of the primary economic environment in which the Company operates

Transactions, receivables and liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates are recognised in the income statement

Transactions denominated in foreign currencies in the reporting period are recognised in the annual financial statements at exchange rate ruling at the transaction date.

Translation differences on non-monetary assets held at historical cost are recognised using exchange rates prevailing at the dates of the transactions (or the approximate rates). The translation difference on share capital is recognised within the retained earnings

2.4 Financial fixed assets

Participations in associated companies

Participations are carried at historical cost less impairment, if appropriate. Valuation at net asset value is not presented as the Company's management is of the opinion that in the light of the aforementioned application of Section 408, disclosure of such information would not enhance the insight into the Company's financial position and results already provided by these financial statements together with the consolidated financial statements of Smiths Group plc. Profits or losses arising from the sale of participations are included in net financial income

In the event of an impairment, valuation takes place at the recoverable amount (see also paragraph 2.5 "Impairment of financial fixed assets"), an impairment is recognised and charged to the profit and loss account

2.5 Impairment of financial fixed assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the profit and loss account

The amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current

Notes to the balance sheet and profit and loss account for the year ended 31st July 2017 (cont.)

2 Principles of valuation of assets and liabilities (cont.)

market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed. The amount of the reversal shall be recognized in profit or loss account.

2.6 Receivables

Receivables are initially measured at fair value and subsequently carried at amortised cost. When a receivable is uncollectable, it is written off against the allowance account for trade receivables.

2.7 Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.8 Liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

3 Financial risks

3.1 Interest rate risk

The Company incurs interest rate risk on interest-bearing receivables and payables (in particular those included under financial assets, current assets and current liabilities). Where variable interest loans are concerned, the Company incurs risk regarding future cash flows. No financial derivatives for interest rate risk are contracted with regard to the receivables or payables.

3.2 Credit risk

The credit risk for the Company largely concerns intra group loan positions. On the basis of a risk analysis, the Management Board of the Company has determined that there is no material risk at the balance sheet date.

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

3 Financial risks (Cont.)

3.3 Liquidity risk

The directors of the Company, as part of their "going concern" assessment, have confirmed that the Company has sufficient funds to fulfil its liquidity needs.

3.4 Currency risk

The Company incurs currency risks on its intra-group loans receivable since the Company does not make use of forward exchange contracts

4 Principles of determination of result

4.1 General

The result is the difference between the realisable value of dividend income and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised

4.2 Exchange rate differences

Exchange differences arising upon the settlement of monetary items are recognised in the profit and loss account in the period that they arise

4.3 Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate

4.4 Dividend income

Dividends from subsidiaries are recognised when declared by the subsidiary, except where there are exchange control restrictions or similar factors, in which case dividends are recognised at the time of receipt. Dividend income is shown gross of withholding taxes which are shown separately as income tax expense

4.5 Interest income and expenses

Interest on loans is calculated according to the conditions of the individual loan contracts. Interest receipts are recognised at the spot rate of the applicable currency at payment date

4.6 Tax on profit/(loss) on ordinary activities

The taxation charge is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax exempt items and non-deductible expenses. Account is also taken of changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates. The main rate of UK corporation tax for the year was 19% (FY17 – 19.67%)

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

5 Financial fixed assets

	31 Jul 2018	31 Jul 2017
	GBP'000	GBP'000
Participations	243,556	385,391
	<u>243,556</u>	<u>385,391</u>

Movement in Participations

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Balance as at start of year	385,391	385,391
Acquisition Cost	5,899	0
Disposals	(157,183)	0
Impairments	9,449	0
Balance as at end of year	<u>243,556</u>	<u>385,391</u>

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

5 Financial fixed assets (cont.)

The Company has the following (direct or indirect) participations as at 31 July 2018:

		%
Industrias John Crane de Mexico SA de CV	Mexico City, Mexico	45
John Crane Chile SA	Santiago, Chile	100
John Crane Colombia SA	Bogota, Columbia	94.3
John Crane Egypt LLC	Cairo, Egypt	100
- John Crane Egypt Sealing Systems LLC	Cairo, Egypt	100
John Crane Safematic Oy	Muurame, Finland	100
- Kiinteistö Oy Ainolantie 21	Muurame, Finland	100 (non-trading, property company)
PT John Crane Indonesia	Jakarta, Indonesia	99
John Crane Pty Ltd	Springs, South Africa	100
- Crane Packing (Proprietary) Ltd	Springs, South Africa	100 (dormant)
- Flexibox (Pty) Ltd	Springs, South Africa	100 (dormant)
John Crane Sealing Systems India Pvt Ltd	Chennai, India	100
John Crane Sigma a.s.	Lutin, Czech Republic	100
- John Crane Slovakia s.r.o	Bratislava, Slovakia	100
John Crane Singapore Pte Ltd	Singapore	100
John Crane (Switzerland) AG	Bottmingen, Switzerland	100
John Crane Taiwan Inc	Kaohsiung, Taiwan	100
John Crane Technology (Tianjin) Co Ltd	Tianjin, China	100
John Crane China Co Ltd	Tianjin, China	100 (dormant)
John Crane Venezuela CA	Maracaibo, Venezuela	100
John Crane Holland B.V	Barendrecht, Netherlands	100
John Crane Hungary Kft	Budaors, Hungary	100
John Crane Belgium S.A.	Lot-Beersel, Belgium	99.9
John Crane Korea Co Ltd	Seoul, South Korea	100
Smiths Group Italia Srl	Milan, Italy	100
- John Crane Italia SpA	Milan, Italy	98
TI Group Automotive Systems Argentina SA	Buenos Aires, Argentina	95
John Crane Argentina SA	Buenos Aires, Argentina	98.8
John Crane Sverige AB	Vasta Frolunda, Sweden	100
John Crane Iberica SA	Madrid, Spain	100
TI SA	Rouen, France	100
- John Crane France SAS	Rouen, France	100
- Smiths Brasil Ltda	Rio Claro, Brazil	100
Indufil B.V.	Duiven, Netherlands	100
John Crane Saudi Arabia	Dammam, Saudi Arabia	6
John Crane Baku LLC	Baku, Azerbaijan	100
John Crane Japan Inc	Ritto, Japan	49

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (cont.)

5 Financial fixed assets (cont.)

The subsidiaries held by the Company are tested for impairment if changes in circumstances indicates that the carrying amount that the fixed asset or goodwill may not be recoverable. Value in use has been assessed to determine the recoverable amount of the asset, being 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 10.2% (2017: 11.9% in China and 10% in all other countries) has been applied to all countries.

Growth rates of 2.2 % (2017: 1.5% in China and 3% in all other countries) all countries have been used 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.

Because of the impairment exercise, release due to liquidation was recognised (GBP (9,449K)) (2017: no impairment)

6 Receivables

	31 Jul 2018	31 Jul 2017
	GBP'000	GBP'000
Intra group loans falling due within less than one year	594,379	432,929
Other receivables from group companies	370	294
	594,749	433,223
<i>Movement in intra group loans falling due within less than one year</i>		
	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Balance as at start of year	432,929	401,646
Repayments	161,450	(688)
Additions	0	29,952
Revaluation	0	2,019
Balance as at end of year	594,379	432,929

**Notes to the balance sheet and profit and loss account for the year ended
31st July 2018 (cont.)**

6 Receivables (cont.)

The figure recorded as 'Other receivables from group companies' relates to unpaid dividend from JC Colombia. There is a small percentage of shares in JC Colombia that have been not properly registered locally preventing full profit distribution. The issue is being under John Crane legal team review. It is expected that shares will be properly registered and dividend shortfall distributed in FY18.

The intra group loans falling due within more than one year relate to three loans:

- Smiths Group Italia Srl. The loan is for the value of EUR 32,137k and is unsecured and denominated in EUR. The loan carries interest at a 12-month Euribor rate + 2.10%. Subsequent year end this loan was extended until 31 July 2023, it is repayable upon demand by the lender.

- Smiths Group International Holding Ltd. The loan is for the value of GBP 186,241k and is unsecured and denominated in GBP. The loan carries interest at a 12-month LIBID rate. Subsequent year end this loan was extended until 31 July 2023, it is repayable upon demand by the lender.

- Smiths Group International Holding Ltd. The loan is for the value of GBP 377,261k and is unsecured and denominated in GBP. The loan carries interest at a 12-month LIBID rate. Subsequent year end this loan was extended until 31 July 2023, it is repayable upon demand by the lender.

Notes to the balance sheet and profit and loss account for the year ended 31st July 2017 (Cont.)

7 Cash at banks and in hand

Cash at banks and in hand represents current accounts with banks that are available on demand

8 Current liabilities

	31 Jul 2018	31 Jul 2017
	GBP'000	GBP'000
Accounts payable and miscellaneous payables	16	36
Intra group loans payable	28,656	34,741
	<u>28,672</u>	<u>34,777</u>

All current liabilities are due in less than 1 year

Movement in intra group loans payable

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Balance as at start of year	34,741	32,722
Revaluation	(254)	2,019
Balance as at end of year	<u>28,656</u>	<u>34,741</u>

The Euro loan from Smiths Group International Holdings is payable upon demand of the lender and carries interest at a 12-month Euribor rate +1.5%. It has maturity date of 31 July 2023. During financial year 2017/18, no demands for repayment have occurred regarding the loan.

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (Cont.)

9 Shareholders' equity

Called-up and paid-in share capital

As at 31 July 2018, the authorised share capital of the Company consists of 700,000,000 (31 July 2017 700,000,000) common shares of EUR 1.00 each. 141,435,897 shares are issued and fully paid as at 31 July 2018 (31 July 2017 141,435,897)

The composition in numbers of the called-up and paid-in share capital is as follows

	31 Jul 2018 Number	31 Jul 2017 Number
Common shares	141,435,897	141,435,897

Statement of changes in equity

GBP '000	Called up and paid in Share Capital	Share Premium Account	Capital Reserve	Retained Earnings	Profit for the Year	Total Equity
Opening balance	126,644	311,692	28,074	291,296	27,189	784,895
Appropriated result previous year	-	-	-	27,189	(27,189)	-
Exchange movement on translation	(531)	-	-	531	-	-
Profit for financial year	-	-	-	-	181,938	181,938
Intercompany Restructuring	-	-	-	(157,184)	-	(157,184)
Balance at end of year	126,113	311,692	28,074	161,832	181,938	809,649

Management proposes to transfer the profit for the financial year of GBP 181,938k to retained earnings. This proposal is not reflected in these annual financial statements.

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (Cont.)

9 Shareholders' equity (cont.)

Called up and paid in Share Capital

Euro to sterling exchange rate used for revaluation of the called up and paid in share capital was GBP 1 = EUR 1 1215 (31 July 2017 GBP 1 = EUR 1 1168).

Capital Reserve

The capital reserve represents unrealised gains accruing to the Company from the sale of investments in group companies to other participations of the Company in the chain below the Company. As at 31 July 2018 these were:

	31 Jul 2018	31 Jul 2017
	GBP'000	GBP'000
John Crane Italia SpA	16,584	16,584
John Crane Korea Co Ltd	5,398	5,398
John Crane Hungary Kft	1,453	1,453
John Crane Belgium S.A.	4,639	4,639
	<u>28,074</u>	<u>28,074</u>

Retained Earnings

The retained earnings represent an accumulation of appropriated results in prior periods

10 Contingencies and commitments

The Company maintains no off-balance sheet commitments (31 July 2017. None).

11 Dividend income

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Dividend received from subsidiaries	170,605	20,169
	<u>170,605</u>	<u>20,169</u>

**Notes to the balance sheet and profit and loss account for the year ended
31st July 2018 (Cont.)**

12 Interest income

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Interest received from group companies	2,830	3,365
	<u>2,830</u>	<u>3,365</u>

13 Interest expense

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Interest paid to group companies	420	519
	<u>420</u>	<u>519</u>

14 Exchange rate differences

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Intra-Group Loans	(254)	0
Other	174	164
	<u>(80)</u>	<u>164</u>

Notes to the balance sheet and profit and loss account for the year ended 31st July 2018 (Cont.)

15 Disposal income

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Disposal of CDI Romania	(77)	4,444
	<u>(77)</u>	<u>4,444</u>

16 Tax on ordinary activities

The tax expense of GBP 351k (2017 GBP 395k) relates to withholding tax and due to the tax-exempt income, the company only incurs tax losses

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	GBP'000	GBP'000
Profit before tax	182,289	27,584
Income tax (expense)	(351)	(395)
Effective tax rate	0.2%	1%
Applicable tax rate	19%	19.67%

The effective tax rate differs from the applicable tax rate due to foreign withholding tax suffered on dividends received which is not recoverable and also because Smiths Group plc decided that UK companies are no longer required to compensate the surrendering company for the receipt of group relief. As a result, no payments or receipts in respect of group relief have been accrued in the current year.

**Notes to the balance sheet and profit and loss account for the year ended
31st July 2018 (Cont.)**

16 Tax on ordinary activities (cont.)

	1 Aug 2017 - 31 Jul 2018	1 Aug 2016 - 31 Jul 2017
	<u>GBP'000</u>	<u>GBP'000</u>
Tax withheld at source on dividend income	(351)	(395)
	<u>(351)</u>	<u>(395)</u>

17 Related parties

Due to the nature of the activities of the Company, the major part of the transactions is with related parties.

18 Supplementary information

Employees

As at 31 July 2018 the Company had nil employees (31 July 2017 nil)

Directors' remuneration

Directors' remuneration amounted to GBP nil for the financial year ended 31 July 2018 (31 July 2017: GBP nil)

Slough, UK. 31/5/2019
On behalf of the board



A.D. Powell
Director

Other Information

Profit appropriation according to the Articles of Association

According to Article 23 of the Company's Articles of Association, the appropriation of the profit for the financial year is at the disposal of the general meeting of shareholders

Subsequent events

There have been no post balance sheet events

Contact

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