

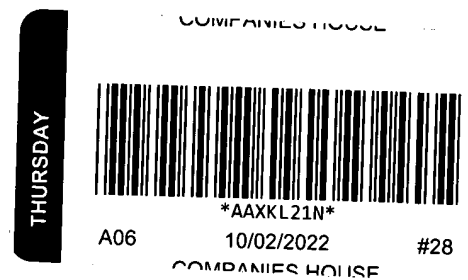
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**SMITHS INTERCONNECT GROUP LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**



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## SMITHS INTERCONNECT GROUP LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Karen Maria Bomba (resigned 13 November 2020) Eric Daniel Lakin Nicole Mardestha Keen Paul Harris (appointed 4 November 2020, resigned 1 November 2021) Mark Simon Kelleher (appointed 4 November 2020) Julian David Kenelm Fagge (appointed 1 November 2021)
<b>Company secretary</b>	Eric Lakin
<b>Registered number</b>	06641403
<b>Registered office</b>	Unit 130 Centennial Park Elstree Hertfordshire WD6 3SE
<b>Independent Auditor</b>	KPMG LLP Chartered Accountants and Statutory Auditor 15 Canada Square Canary Wharf London United Kingdom E14 5GL

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## **SMITHS INTERCONNECT GROUP LIMITED**

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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### Introduction

Smiths Interconnect Group Limited (the "Company") is an investment holding company and a wholly-owned subsidiary of Smiths Group plc (the "Group").

The Company is a limited liability company, limited by shares, incorporated and domiciled in England. Its registered office is 130 Centennial Park, Elstree, Hertfordshire, WD6 3SE.

#### Business review

The Company's primary asset is the carrying value of investments in its subsidiaries and associates, totalling £182,717,000 (2020: £184,031,000). The company has £438,356,000 (2020: £430,968,000) of loans receivable from subsidiaries of Smiths Group plc, included in its Balance Sheet. The company has £267,760,000 (2020: £262,025,000) of loans payable to subsidiaries of Smiths Group plc, included in its Balance Sheet. This reconciles to note 12 and 15 respectively.

The company's profit for the year is £806,000 (2020: loss £650,000), comprising of administrative expenses of £541,000 (2020: £1,494,000), impairment charge of £1,885,000 (2020: £nil), income from fixed asset investments totalling £6,741,000 (2020: £3,240,000), interest receivable of £811,000 (2020: £3,177,000), offset by interest payments of £4,205,000 (2020: £5,482,000), and net exchange losses of £115,000 (2020: loss of £91,000).

#### Principal risks and uncertainties

All assets and liabilities are intra-group. As a result risk is managed on a consolidated basis as part of the overall Smiths Group plc's risk management process.

The directors of Smiths Group plc manage risks at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a disclosure of the Company's risk profile would not be appropriate for an understanding of the activities of the Company. See the Smiths Group plc Annual report, and Financial Statements pages 70 to 79 for a description of the Smiths Group plc risk management and key risks.

#### Key performance indicators

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

#### Post Balance Sheet Events

There are no post balance sheet events to note

This report was approved by the board on 15 December 2021 and signed on its behalf.

*Eric Lakin*

**Eric Daniel Lakin**  
Director

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## SMITHS INTERCONNECT GROUP LIMITED

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

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

#### Principal activity

The Company's principal activity is that of an investment holding company.

#### Results and dividends

The profit for the year, after taxation, amounted to £806,000 (2020: loss of £650,000). No dividends were paid or proposed in the current year (2020: £nil).

#### Directors

Karen Maria Bomba (resigned 13 November 2020)  
Eric Daniel Lakin  
Nicole Mardestha Keen  
Paul Harris (appointed 4 November 2020, resigned 1 November 2021)  
Mark Simon Kelleher (appointed 4 November 2020)

#### Political contributions

The Company made no political donations during the year.

#### Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

#### Independent Auditor

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 KPMG LLP will therefore continue in office.

#### Impact of COVID-19

The financial year has been marked by the coronavirus Covid-19 outbreak. The interests of the Company are aligned with those of the wider Smiths Group in that the response to Covid-19 was coordinated centrally by the Group Crisis Core team, which carried out initiatives focused on three main priorities: guaranteeing the health and safety of all its employees, ensuring business continuity and supporting its customers.

#### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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This report was approved by the board on 15 December 2021 and signed on its behalf.

*Eric Lakin*

Eric Daniel Lakin  
Director

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## **SMITHS INTERCONNECT GROUP LIMITED**

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

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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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

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## SMITHS INTERCONNECT GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITHS INTERCONNECT GROUP LIMITED

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#### Opinion

We have audited the financial statements of SMITHS INTERCONNECT GROUP LIMITED ("the company") for the year ended 31<sup>st</sup> July 2021 which comprise the Profit and Loss Account and Statement of Comprehensive Income, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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.

#### 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 Smiths Group Plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.



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## SMITHS INTERCONNECT GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITHS INTERCONNECT GROUP LIMITED

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

On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. 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 by senior finance management and 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 and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, as a holding company, is not 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.

#### *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

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## SMITHS INTERCONNECT GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITHS INTERCONNECT GROUP LIMITED

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from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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.

#### **Auditor's 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

#### **The purpose of our audit work and to whom we owe our responsibilities**

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 auditor's 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 Canary Wharf  
London  
E14 5GL

15th December 2021

**SMITHS INTERCONNECT GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 £000	2020 £000
Administrative Expenses		(541)	(1,494)
<b>Operating loss</b>	3	(541)	(1,494)
Income from fixed assets investments		6,741	3,240
Amounts written off investments		(1,885)	-
Interest receivable and similar income	8	811	3,177
Interest payable and similar expenses	9	(4,205)	(5,482)
Net exchange losses		(115)	(91)
<b>Profit/(loss) before tax</b>		806	(650)
Tax on profit/(loss)	10	-	-
<b>Profit/(loss) for the financial year</b>		806	(650)
 <b>Total comprehensive income for the year</b>		806	(650)

The notes on pages 12 to 23 form part of these financial statements.

**SMITHS INTERCONNECT GROUP LIMITED**  
**REGISTERED NUMBER: 06641403**

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

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	11	182,717	184,031
		<u>182,717</u>	<u>184,031</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	440,863	431,590
Cash at bank and in hand	13	149	1,277
		<u>441,012</u>	<u>432,867</u>
Creditors: amounts falling due within one year	14	(447)	(157)
<b>Net current assets</b>		<u>440,565</u>	<u>432,710</u>
<b>Total assets less current liabilities</b>		<u>623,282</u>	<u>616,741</u>
Creditors: amounts falling due after more than one year	15	(267,760)	(262,025)
		<u>355,522</u>	<u>354,716</u>
<b>Net assets</b>		<u><u>355,522</u></u>	<u><u>354,716</u></u>
<b>Capital and reserves</b>			
Share premium account	18	203,843	203,843
Other reserves	18	924	924
Profit and loss account	18	150,755	149,949
		<u><u>355,522</u></u>	<u><u>354,716</u></u>

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**SMITHS INTERCONNECT GROUP LIMITED**  
**REGISTERED NUMBER: 06641403**

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

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2021.

*Eric Lakin*

**Eric Daniel Lakin**  
Director

The notes on pages 12 to 23 form part of these financial statements.

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
<b>At 1 August 2019</b>	<b>203,843</b>	<b>924</b>	<b>150,599</b>	<b>355,366</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(650)	(650)
<b>At 1 August 2020</b>	<b>203,843</b>	<b>924</b>	<b>149,949</b>	<b>354,716</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	806	806
<b>At 31 July 2021</b>	<b>203,843</b>	<b>924</b>	<b>150,755</b>	<b>355,522</b>

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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The Company's principal activity is that of an investment holding company, based and registered in England. It is a limited liability company incorporated and domiciled in England. The registered office is Unit 130 Centennial Park, Elstree, Hertfordshire, WD6 3SE.

The Company is exempt by virtue of section 400 subject to the small companies 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.

These financial statements have been prepared on a going concern basis.

##### Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

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 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

##### 1.2 Financial reporting standard 101 - reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures required by Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flow of discontinued operations;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.3 Going Concern

The Company has net current assets of £440,565,000 as at 31 July 2021 (2020: £432,710,000) and a profit after taxation for the year then ended of £806,000 (2020: loss of £650,000).

The Director's review of the financial accounts indicate that 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.

##### 1.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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. Nonmonetary 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 the profit and loss account and other comprehensive income.

All foreign exchange gains and losses are presented in the profit and loss account and other comprehensive income within 'Other finance (expenses)/income'.

##### 1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 1.6 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.

##### 1.7 Financial instruments

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:



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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.7 Financial instruments (continued)

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.

##### Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

##### Financial liabilities

##### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

##### 1.8 Finance costs

Finance costs are charged to the profit and loss account and other comprehensive income 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.

##### 1.9 Interest income

Interest income is recognised in the profit and loss account and other comprehensive income using the effective interest method.

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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.10 Current taxation

The tax expense for the year comprises of current tax only. Tax is recognised in the Income Statement, 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.

The tax on profit on ordinary activities includes amounts paid or received for Group relief in respect of tax losses claimed and surrendered in the current year.

#### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

##### 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.

##### Recoverability of intercompany loans receivable

"The recoverability of loans is assessed applying the methodology of IFRS 9 by looking at the credit quality of the subsidiary and any support available to the subsidiary. These calculations require the use of estimates including projected future cash-flows and other future events.

#### 3. Operating loss

The Company made an operating loss of £541,000 (2020: £1,494,000).

#### 4. Auditor's Remuneration

The audit fee in respect of this Company for the 12 months ended 31 July 2021 has been borne by another Smiths Group Company. Auditor's remuneration for non-audit services was £nil (2020: £nil).

#### 5. Directors' Remuneration

During the year, no director received any emoluments (2020: £nil).

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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**6. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2020: £nil). Director fees are not directly attributable and borne by another entity in the Group. Employees of other Smiths Group companies perform all the administration of the Company's UK affairs. No charge for their services has been levied upon the Company in the current or previous year.

**7. Income from other fixed asset investments**

	<b>2021 £000</b>	<b>2020 £000</b>
Dividends received from subsidiaries	<b>6,741</b>	3,240
	<b>6,741</b>	<b>3,240</b>

**8. Interest receivable and similar income**

	<b>2021 £000</b>	<b>2020 £000</b>
Other interest receivable	<b>811</b>	3,177
	<b>811</b>	<b>3,177</b>

**9. Interest payable and similar expenses**

	<b>2021 £000</b>	<b>2020 £000</b>
Bank interest payable	<b>13</b>	11
Other loan interest payable	<b>4,192</b>	5,471
	<b>4,205</b>	<b>5,482</b>

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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**10. Tax on profit**

	<b>2021 £000</b>	<b>2020 £000</b>
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	<b>2021 £000</b>	<b>2020 £000</b>
Profit/(loss) on ordinary activities before tax	<b>806</b>	(650)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>153</b>	-
<b>Effects of:</b>		
Group relief	<b>(153)</b>	-
<b>Total tax charge for the year</b>	-	-

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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**10. Tax on profit (continued)**

**Factors that may affect future tax charges**

The UK government has kept the Corporation Tax rate as 19% for the 2021/22 tax year.

Smiths Group does not require UK companies 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 or prior year, and no payments or receipts will be recognised in future years if other group companies have losses available to surrender.

In June 2021, the UK Government enacted an increase in the future UK rate of corporation tax, from 19% to 25%, applying from 1 April 2023.

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SMITHS INTERCONNECT GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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11. Investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 August 2020	381,587
Additions	571
At 31 July 2021	<u>382,158</u>
<b>Impairment</b>	
At 1 August 2020	197,556
Charge for the period	1,885
At 31 July 2021	<u>199,441</u>
<b>Net book value</b>	
At 31 July 2021	<u><u>182,717</u></u>
At 31 July 2020	<u><u>184,031</u></u>

During the year, Smiths Interconnect Group Limited injected capital of £454,000 in Smiths Interconnect Group HK Limited in exchange for shares.

During the year, Smiths Interconnect Group Limited injected capital of £117,000 in Smiths Interconnect Hong Kong Limited in exchange for shares.

During the year, an impairment was recognised in Trak Microwave Limited due to a decline in profitability in the year.

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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**11. Investments (continued)**

**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>
Flexible Ducting Limited	29 Dunsinane Ave, Dundee DD2 3QF	Ordinary	100%
Hypertac Ltd	Unit 130 Centennial Park, Elstree, Hertfordshire, WD6 3TJ	Ordinary	100%
Smiths Industries Industrial Group Ltd	Unit 130 Centennial Park, Elstree, Hertfordshire, WD6 3TJ	Ordinary	100%
Trak Microwave Ltd	29 Dunsinane Ave, Dundee DD2 3QF	Ordinary	100%
Antares Advanced Test Technologies (Suzhou) Co. Ltd	No.14 Unit 78, Xinglin Road, Suzhou, Jiangsi, 215026, China	Ordinary	100%
Smiths Interconnect Americas Inc	5101 Richland Avenue, Kansas City, KS, 66106	Ordinary	100%
Smiths Interconnect Inc	4726 Eisenhower Blvd. Tampa, FL 33634	Ordinary	100%
Smiths Interconnect India Private Limited	Prestige AI Kareem 3rd Floor, No.3 Edward Road, Vasanth Nagar, Bangalore, 560052	Ordinary	100%
Smiths Interconnect Canada Inc	4000 1 Place Ville Marie Montréal (Québec) H3B4M4 Canada	Ordinary	100%
Smiths Connectors Tunisia Sarl.	Zone Industrielle, Route de Khniss, Rue Isidore Maille, Monastir	Ordinary	100%
Smiths Connectors Asia Pte Ltd	100 Beach Road, 15-09 Shaw Tower, Singapore 189702	Ordinary	100%
Smiths Interconnect Sociedad Anonima	Zona Franca Coyol lot no. 25, Alajuela, Costa Rica	Ordinary	100%
Hypertac SA	31 Rue Isidore Maille, 76140, Saint Aubin Les Elbeuf, France	Ordinary	100%
Hypertac GmBH	ITC Deggendorf, Ulrichsbergerstr. 17, 94469 Deggendorf, Germany	Ordinary	100%
Hypertac SpA	Via P.D. da Bissone, 7A, 16154, Genova, Italy	Ordinary	100%
Huafeng Smiths Interconnect Co. (Sichuan) Ltd	No. 120 Sanjiang Avenue, Economic Development Zone, Mianyang, Sichuan Province, PRC-	Ordinary	60%
Smiths Interconnect Hong Kong Limited	Suite 1106 8, 11/FTai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong	Ordinary	100%
Smiths Interconnect Group HK Limited	Suite 1106 8, 11/FTai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong	Ordinary	100%

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**SMITHS INTERCONNECT GROUP LIMITED**

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

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**12. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>440,803</b>	431,366
Other debtors	<b>60</b>	224
	<b>440,863</b>	<b>431,590</b>

The interest rate on loans with group undertakings due within one year was 0.93% (2020: 0.93%). The interest is calculated at a rate per annum of 12 month GBP LIBID. This loan is repayable on 31 July 2024 or on demand in the current year. It is the Directors' intention to call the loan at maturity and not on demand.

**13. Cash at bank and in hand**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>149</b>	1,277
	<b>149</b>	<b>1,277</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other creditors	<b>447</b>	157
	<b>447</b>	<b>157</b>



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**SMITHS INTERCONNECT GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>267,760</b>	262,025
	<b><u>267,760</u></b>	<b><u>262,025</u></b>

The interest rate on loans with group undertakings due after more than one year was 2.43% (2020: 2.43%). The interest is calculated at a rate per annum of 12 month GBP LIBOR plus a margin of 1.5%.the loans are repayable at maturity between 31 July 2023 and 31 July 2024.

**16. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b><u>438,356</u></b>	<u>430,968</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b><u>(267,760)</u></b>	<u>(262,025)</u>

Financial assets that are debt instruments measured at amortised cost comprise of intercompany loans receivable totalling £438,356,000.

Financial liabilities measured at amortised cost comprise of intercompany loans payable totalling £267,760,000.

**17. Called up share capital**

The issued share capital of the Company is 3 Ordinary shares of £1 each totalling £3 (2020: £3)

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## SMITHS INTERCONNECT GROUP LIMITED

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

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#### 18. Reserves

##### Share premium account

The Company has a share premium of £203,843,000 (2020: £203,843,000)

##### Other reserves

The Company has other reserves of £924,000 (2020: £924,000)

##### Profit and loss account

The Company's Statement of Changes in Equity shows a profit of £150,755,000 (2020: £149,949,000) in the cumulative profit and loss account.

#### 19. Ultimate Controlling Party

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

For the year ended 31 July 2021, Smiths Interconnect Group Limited was a wholly owned subsidiary of Smiths Group International Holdings 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, 4th Floor, 11-12 St James's Square, London, England, SW1Y 4LB.

#### 20. Post Balance Sheet Events

There are no post balance sheet events to declare.

#### 21. Contingent Liability

The Company has a contingent liability under a composite banking arrangement with other companies in the Group, limited to the amount standing to the credit of the Company's own bank account.