

Registered number: 04257042

SITI 1 LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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SITI 1 LIMITED

COMPANY INFORMATION

Directors	A S S Kenny M J Whyte
Company secretary	L S MacAndrews
Registered number	04257042
Registered office	Level 10, 255 Blackfriars Road London SE1 9AX

SITI 1 LIMITED

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SITI 1 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Introduction

SITI 1 Limited ("the Company") is a private company limited by shares and is a wholly owned subsidiary of Smiths Group International Holdings Limited.

The Company's principal activity in the year is that of a financing company, and its principal source of income is interest. There has been no significant change in this activity during the year.

Business review

The Company has a loan to its parent company, Smiths Group International Holdings Limited, from which it receives interest income.

The Company's principal sources of income in the period were interest from its parent. The Company's profit for the period was £46.5m (2022: £0.6m).

Principal risks and uncertainties

The directors of Smiths Group plc manage the Smiths Group 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 Accounts pages 68 to 74 for a description of the Smiths Group plc risk management and key risks.

Financial 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 section of the Group's Annual Report and Accounts, which does not form part of this report.

SITI 1 LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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

The directors of the Company have acted in a way, which 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 likely consequences of any decision in the long term, and the desirability of the Company maintaining a reputation for high standards of business conduct.

The Company is part of the Smiths Group and is ultimately owned by Smiths Group plc, which is responsible for setting the overall strategy of the Group and maintaining oversight of the Group's activities. Decisions and policies affecting the Group's shareholders, customers, employees and wider workforce, suppliers, local communities and governments, lenders and the environment are made at Group level, with directors of each company in the Group ensuring that they apply those policies as relevant, meeting their duties to the individual companies and their respective stakeholders.

The Board of Directors of the Company considers the Company's main stakeholder groups to be its lenders, the Group subsidiaries to whom it provides finance, and, on whose behalf, it makes investment decisions and its shareholder. Stakeholder interests are key to the long-term sustainable success of the Company and the Board has an overview of engagement with stakeholders to identify the impact of its decision on its stakeholders, especially about strategy, investments and finance. The Board seeks to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in its decision-making. The Board acknowledge however, that not every decision it makes will necessarily result in a positive outcome for all stakeholders.

The purpose of the Company is to act as a financing company. Due to the nature of the Company, no decisions were made by Directors during the reporting period which required to have regard to the matters set out in section 172 of the Companies Act 2006.

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

Sacha Kenny

A S S Kenny, Director

Date: 17 January 2024

SITI 1 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

The directors present their report and the financial statements for the year ended 31 July 2023.

Principal activity

The principal activity of SITI 1 Limited (the "Company") is that of a financing company.

Results and dividends

The profit for the year, after taxation, amounted to £46,539,000 (2022 - £629,000).

No dividends were paid or proposed in the current year (2022: £nil).

Directors

The directors who served during the year were:

A S S Kenny
M J Whyte

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Future developments

It is the intention of the directors that the Company will continue to operate as an investment holding company for the foreseeable future.

The directors view the results as satisfactory for the current year.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) have applied to M. J. Whyte since 1 August 2021, in relation to certain losses and liabilities which he may incur (or have incurred) to third parties in the course of his professional duties for the Company.

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

Sacha Kenny

A S S Kenny
Director

Date: 17 January 2024

SITI 1 LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SITI 1 LIMITED

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

	Note	2023 £000	2022 £000
Interest receivable and similar income	5	46,913	626
Interest payable and similar expenses	6	(368)	-
Other finance (loss)/income		(6)	3
Profit before tax		46,539	629
Tax on profit	8	-	-
Profit for the financial year		46,539	629

There was no other comprehensive income for 2023 (2022:£ NIL).

The notes on pages 8 to 14 form part of these financial statements.

SITI 1 LIMITED
REGISTERED NUMBER: 04257042

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £000	2022 £000
Fixed assets			
Current assets			
Debtors: amounts falling due after more than one year	9	-	28,176
Debtors: amounts falling due within one year	9	1,047,825	995,320
Cash at bank and in hand	10	158	730
		<u>1,047,983</u>	<u>1,024,226</u>
Creditors: amounts falling due within one year	11	(5,395)	(28,177)
Net current assets		<u>1,042,588</u>	996,049
Net assets		<u><u>1,042,588</u></u>	<u><u>996,049</u></u>
Capital and reserves			
Called up share capital	13	297,391	297,391
Profit and loss account		745,197	698,658
		<u><u>1,042,588</u></u>	<u><u>996,049</u></u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Sacha Kenny

A S S Kenny
 Director

Date: 17 January 2024

The notes on pages 8 to 14 form part of these financial statements.

SITI 1 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 August 2021	297,391	698,029	995,420
Comprehensive income for the year			
Profit for the year	-	629	629
Total comprehensive income for the year	-	629	629
At 1 August 2022	297,391	698,658	996,049
Comprehensive income for the year			
Profit for the year	-	46,539	46,539
Total comprehensive income for the year	-	46,539	46,539
At 31 July 2023	297,391	745,197	1,042,588

The notes on pages 8 to 14 form part of these financial statements.

SITI 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. **General information**

The Company's principal activity is that of a financing company, based and registered in England. It is a limited liability company incorporated and domiciled in England. The registered office is Level 10, 255 Blackfriars Road, London, SE1 9AX.

2. **Accounting policies**

2.1 **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.

2.2 **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.

SITI 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.3 Going concern

These accounts have been prepared on a going concern basis.

The Company has net current assets of £1,043m as at 31 July 2022 (2022: £996m) and a profit for the year then ended of £47m (2022: £1m). 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 May 2028, of which \$800m was undrawn at 31 July 2023. The Company's financial forecasts for the period of going concern, 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.

The directors of Smiths Group plc, the ultimate parent company of SITI 1 Limited have confirmed that Smiths Group plc will continue to provide operational and financial support to the Company to enable it to trade with the Smiths Group and to meet its liabilities in full as they fall due for a period of at least twelve months from the date of approval of these financial statements. The directors have no reason to believe that the ultimate parent company will not be in a position to provide this support and, accordingly, have prepared the financial statements on a going concern basis.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

SITI 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.5 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:

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

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.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

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.

2.6 Foreign currency translation

Foreign currency transactions are recorded at the exchange rate ruling at the date of the transaction and monetary assets and liabilities denominated in a foreign currency are retranslated at the closing exchange rate at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, and from the retranslation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account as "other finance expenses" in the Statement of Comprehensive Income.

2.7 Interest income

Interest income is recognised in the Profit and Loss Account and Other Comprehensive Income.

SITI 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

2. Accounting policies (continued)

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.

3. Key sources of estimation uncertainty

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.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2022: £NIL).

The Company's directors are employed and remunerated by the parent company.

5. Interest receivable

	2023 £000	2022 £000
Interest receivable from group companies	46,906	626
Bank interest receivable	7	-
	<u>46,913</u>	<u>626</u>

6. Interest payable and similar expenses

	2023 £000	2022 £000
Interest payable from group companies	368	-
	<u>368</u>	<u>-</u>

SITI 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

7. Other finance (loss)/income

The Company reported foreign exchange losses of £6,000 (2022: gains of £3,000) on foreign currency bank balances.

8. Taxation

The Company has not recognised a tax charge in either the current or prior year.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 21% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	<u>46,539</u>	<u>629</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2022 - 19%)	9,773	120
Effects of:		
Group relief	(9,773)	(120)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

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 previous year, and no payments or receipts will be made in future years while this policy remains in force and 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. If the Company were to pay UK tax in the future, the payments would be larger.

SITI 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Debtors

	2023	2022
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	-	28,176
	<u>-</u>	<u>28,176</u>
	<u>-</u>	<u>28,176</u>
	2023	2022
	£000	£000
Due within one year		
Amounts owed by group undertakings	1,047,825	995,320
	<u>1,047,825</u>	<u>995,320</u>
	<u>1,047,825</u>	<u>995,320</u>

Amounts due from group undertakings comprise loans from both the Company's immediate and ultimate holding companies. Loans carry interest at SONIA/CDDR plus a margin in the region of 7.48% to 7.98% and are either repayable at maturity on 31 July 2027.

10. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	158	730
	<u>158</u>	<u>730</u>
	<u>158</u>	<u>730</u>

11. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	5,395	28,177
	<u>5,395</u>	<u>28,177</u>
	<u>5,395</u>	<u>28,177</u>

Amounts owed to Group undertakings are unsecured and are repayable at maturity on 5 December 2023. Interest is accrued at 1 YEAR CDDR - CAD plus a margin of 4.50%.

SITI 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

12. Financial instruments

	2023	2022
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,047,825</u>	<u>1,024,226</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(5,395)</u>	<u>(28,177)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and loans receivable from the Company's holding companies.

Financial liabilities measured at amortised cost comprise loans payable to other group undertakings.

13. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
574,291,356 (2022: 574,291,356) Ordinary shares of \$1.00 each	<u>297,391</u>	<u>297,391</u>

The Company's share capital is denominated in US dollars and comprises ordinary \$1 shares.

There is no limit (2022: no limit) in the articles of association on the number of new shares which the Company can allot.

14. Contingent liabilities

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.

15. Controlling party

For the year ended 31 July 2023 the Company is 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 is incorporated in the United Kingdom and registered in England and Wales.

The Annual Report and Accounts of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, Level 10, 255 Blackfriars Road, London, SE1 9AX.