

IMI Marston Limited

**Directors' report and financial
statements**

Registered number 155987

For the year ended 31 December 2008

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Directors' report

Directors	CN Robinson JR Perkins
Secretary	JR Perkins
Registered office	Nobel Way Witton Birmingham B6 7ES
Auditor	KPMG Audit Plc 2 Cornwall Street Birmingham B3 2DL

The directors present their annual report to the shareholders, together with the financial statements for the year ended 31 December 2008.

Principal activities and results for the year

The Company does not trade; its sole income is derived from interest earned on a loan due from a fellow group undertaking. The results for the year are set out on page 5, and the profit for the year of £723,000 (2007: £771,000) has been transferred to reserves.

Dividends

The directors do not propose the payment of a final dividend for the year ended 31 December 2008 (2007: £Nil).

Political and charitable contributions

The company made no political or charitable contributions during either the current or preceding financial year.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

By order of the board



JR Perkins
Secretary

Nobel Way
Witton
Birmingham
B6 7ES

31 July 2009

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Independent auditor's report to the members of IMI Marston Limited

We have audited the financial statements of IMI Marston Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor's report to the members of IMI Marston Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Birmingham
Chartered Accountants
Registered Auditor

31 July 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Administrative expenses		(4)	(5)
Operating loss		(4)	(5)
Interest receivable and similar income	3	1,015	1,106
Profit on ordinary activities before taxation	2	1,011	1,101
Taxation on profit on ordinary activities	4	(288)	(330)
Profit for the financial year		723	771

A statement of movements on reserves is set out in note 10.

All of the activities of the company are classed as continuing in both the current and preceding year.

There are no other recognised gains or losses in either the current or preceding year other than the profit for the year.

In both the current and preceding years, there was no difference between the profit before taxation and the profit for the year as shown in the company profit and loss account and their historical cost equivalents.

Balance sheet
at 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Current assets			
Debtors	7	18,241	17,557
Creditors: Amounts falling due within one year	8	(304)	(343)
Net assets		<u>17,937</u>	<u>17,214</u>
Capital and reserves			
Called up share capital	9	67	67
Share premium account		3,120	3,120
Other reserves		8,000	8,000
Profit and loss account	10	6,750	6,027
Equity shareholder's funds		<u>17,937</u>	<u>17,214</u>

These financial statements were approved by the board of directors on 31 July 2009 and were signed on its behalf by:



JR Perkins
Director

Reconciliation of movement in shareholder's funds
at 31 December 2008

	2008	2007
	£000	£000
Profit on ordinary activities after taxation	723	771
	<hr/>	<hr/>
Net increase in shareholder's funds for the year	723	771
Shareholder's funds at 1 January	17,214	16,443
	<hr/>	<hr/>
Shareholder's funds at 31 December	17,937	17,214
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that IMI plc includes the company in its own published consolidated financial statements.

Related party transactions

By virtue of the company being a wholly owned subsidiary included in the consolidated financial statements of a IMI plc, the company is exempt under Financial Reporting Standard 8 from disclosing transactions or balances with entities which are part of the group that qualify as related parties.

2 Profit on ordinary activities before taxation

	2008 £000	2007 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	2	3

Auditors' remuneration

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's ultimate parent company, IMI plc.

3 Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable from group undertakings	1,015	1,106

Notes (continued)

4 Taxation on profit on ordinary activities

Analysis of charge in year

	2008 £000	2007 £000
<i>UK corporation tax</i>		
Current tax on income for the year	288	330
	<hr/>	<hr/>
Tax on profit on ordinary activities	288	330
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2007: the same as) the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

	2008 £000	2007 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,011	1,101
	<hr/>	<hr/>
Current tax at 28.5% (2007: 30%) being the charge for the year	288	330
	<hr/>	<hr/>

5 Staff numbers and costs

The average number of people employed by the company (including directors) during the year analysed by category was as follows:

	Number of employees	
	2008	2007
Administration and selling	2	2
	<hr/>	<hr/>

6 Directors' emoluments

	Number	
	2008	2007
Retirement benefits were accruing to the following number of directors under:		
Group defined benefit scheme	2	2
	<hr/>	<hr/>

The directors received no emoluments in either the current or preceding year.

7 Debtors

	2008 £000	2007 £000
Amounts owed by group undertakings	18,241	17,557
	<hr/>	<hr/>

Amounts owed by group undertakings are established at arm's length terms and bear interest at the relevant LIBOR plus an appropriate margin.

Notes (continued)

8 Creditors: Amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	5	4
Corporation tax	288	330
Accruals and deferred income	5	5
Amounts owed to fellow subsidiary undertaking	6	4
	<u>304</u>	<u>343</u>

9 Called up share capital

	2008 £000	2007 £000
<i>Authorised:</i>		
75,000 ordinary shares of £1 each	75	75
<i>Allotted, called up and fully paid:</i>		
66,667 ordinary shares of £1 each	67	67

10 Reserves

	Profit and loss account £000	Share premium £000	Other reserves £000
At beginning of year	6,027	3,120	8,000
Profit for the financial year	723	-	-
	<u>6,750</u>	<u>3,120</u>	<u>8,000</u>

11 Ultimate parent company

IMI plc, incorporated in Great Britain and registered in England and Wales, is the company's ultimate parent company. A copy of the financial statements of that company can be obtained from The Company Secretary, IMI plc, Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ.

The immediate parent company is IMI Kynoch Limited which is incorporated in Great Britain and registered in England and Wales.