

**Registered No. 00155987**

# **IMI Marston Limited**

**Strategic Report, Directors' Report and financial statements**

**For the year ended 31 December 2015**

(Registered in England and Wales - number 00155987)



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**IMI MARSTON LIMITED**  
**Strategic Report, Directors' Report and financial statements**  
**for the year ended 31 December 2015**

**Registered No. 00155987**

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**IMI MARSTON LIMITED**  
**Registered No. 00155987**  
**Strategic Report**  
**for the year ended 31 December 2015**

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The directors of IMI Marston Limited (the 'Company') present this Strategic Report for the year ended 31 December 2015.

**Principal activities**

The Company is a wholly owned subsidiary of IMI Kynoch Limited. The principal activity of the Company is to earn interest on a loan due from a fellow IMI Group company.

The Company has no employees. The activities of the Company are performed by employees of fellow UK members of the IMI group of companies. There have not been any significant changes in the Company's principal activities in the year under review.

**Business review**

During the year the Company transitioned from UK GAAP to FRS 101 '*Reduced Disclosure Framework*' and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, IMI Kynoch Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no recognition or measurement differences arising on the adoption of FRS 101.

The Company recorded a profit after tax of £74,000 for the year (2014: £72,000).

Given the nature of this entity's operations, the Company's directors believe that analysis using key performance indicators for the Company is neither necessary nor appropriate for an understanding of the development, performance or position of the business of the Company.

**Future developments**

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

**Principal risks and uncertainties**

The Company derives its income from a variable rate loan to its parent company, IMI Kynoch Limited.

The Company is exposed to a number of financial market risks including liquidity risk, credit risk and fluctuations in interest rates.

Although the Company takes steps to manage its own financial risks, overall risks are managed at a Group level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be relevant for an understanding of the development, performance or position of the Company's business.

Given the nature of this entity's operations and the fact it is financed by another member of the IMI Group of companies, the principal risks and uncertainties are the same as those which relate to the Group as a whole. The details of which can be found in the IMI plc annual report and financial statements, which do not form part of this report.

By order of the Board



B Guest  
Director  
21 April 2016

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**IMI MARSTON LIMITED**  
**Registered No. 00155987**  
**Directors' Report**  
**for the year ended 31 December 2015**

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The directors of IMI Marston Limited ("Company") present their report and the financial statements for the year ended 31 December 2015.

**Results and dividends**

The results are set out on page 6. The profit for the year was £74,000 (2014: £72,000).

The Company paid no dividends in either this year or the last. The directors do not recommend a final dividend for the year (2014: nil).

**Directors**

The directors who held office during the year and since 31 December 2015 were as follows:

I D Moore (resigned 20 March 2015)  
I E Ronald  
B Guest (appointed 20 March 2015)

The Company's ultimate parent, IMI plc, maintained directors' liability insurance for all directors during the financial year.

**Disclosure of information to the 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 should 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.

**Going concern**

The Company participates in the Group's centralised treasury arrangements and so shares funding arrangements with its parent and fellow IMI Group companies. The directors, having assessed the responses of the directors of the Company's ultimate parent IMI plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the IMI plc Group to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of his assessment of the Company's financial position and of the enquiries made of the directors of IMI plc, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Auditors**

Pursuant to Section 485 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

**Disclosure requirements**

In accordance with the Companies Act 2006 section 414C(11), the Company's Strategic Report contains certain disclosures required in the Directors' Report. The requirements are included within the Principal Activities, Business Review and Principal risks and uncertainties sections of the Strategic Report.

By order of the Board



B Guest  
**Director**  
21 April 2016

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**IMI MARSTON LIMITED****Statement of Directors' Responsibilities in respect of the Strategic Report,  
the Directors' Report and the financial statements**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK 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, including Financial Reporting Standard 101 '*Reduced Disclosure Framework*' ('FRS 101').

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; and
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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. 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.

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## **Independent auditor's report to the member of IMI Marston Limited**

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We have audited the financial statements of IMI Marston Limited for the year ended 31 December 2015 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

As explained more fully in the Statement of Director's Responsibilities in respect of the Strategic Report, the Director's Report and the financial statements set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Andy Williams (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

22 April 2016

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**IMI MARSTON LIMITED**  
**Income statement and statement of comprehensive income**  
**for the year ended 31 December 2015**

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**Income statement**

	<b>Notes</b>	<b>2015 £000</b>	<b>2014 £000</b>
Interest receivable and similar income	5	93	92
<b>Profit on ordinary activities before taxation</b>		<u>93</u>	<u>92</u>
Income tax charge	6	(19)	(20)
<b>Profit for the financial year</b>		<u>74</u>	<u>72</u>

All activities relate to continuing operations.

**Statement of comprehensive income**

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Profit for the financial year</b>	<u>74</u>	<u>72</u>
<b>Total comprehensive income for the year</b>	<u>74</u>	<u>72</u>


All activities relate to continuing operations.



**IMI MARSTON LIMITED**  
**Balance sheet**  
**as at 31 December 2015**

	Notes	2015 £000	2014 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	18,596	18,523
		<u>18,596</u>	<u>18,523</u>
<b>Creditors: amounts falling due within one year</b>	8	(19)	(20)
		<u>(19)</u>	<u>(20)</u>
<b>Net current assets</b>		18,577	18,503
<b>Net assets</b>		<u>18,577</u>	<u>18,503</u>
<i>Capital and reserves</i>			
Called up share capital	9	67	67
Share premium	10	3,120	3,120
Other reserves	10	8,000	8,000
Profit and loss account	10	7,390	7,316
Shareholder's funds		<u>18,577</u>	<u>18,503</u>

These financial statements were authorised for issue by the board of directors on 21 April 2016 and were signed on its behalf by:



**B Guest**  
**Director**

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**IMI MARSTON LIMITED**  
**Statement of changes in equity**  
**for the year ended 31 December 2015**

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	<b>Called up share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2014	67	3,120	8,000	7,244	18,431
Profit for the financial year	-	-	-	72	72
Total comprehensive income for the year	-	-	-	72	72
At 31 December 2014	67	3,120	8,000	7,316	18,503
Profit for the financial year	-	-	-	74	74
Total comprehensive income for the year	-	-	-	74	74
At 31 December 2015	<u>67</u>	<u>3,120</u>	<u>8,000</u>	<u>7,390</u>	<u>18,577</u>

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**IMI MARSTON LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2015**

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**1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of IMI Marston Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 21 April 2016 and the balance sheet was signed on the Board's behalf by B Guest. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' ('FRS 101') and in accordance with applicable accounting standards.

The results of the Company are included in the consolidated financial statements of IMI plc which are available from Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7XZ.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015. The financial statements are prepared in sterling and are rounded to the nearest thousand pounds (£000).

**2. Accounting policies****Basis of preparation**

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. There were no recognition or measurement differences arising on the adoption of FRS 101. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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

- a) the requirement in paragraph 38 of IAS1 '*Presentation of Financial Statements*' to present comparative information in respect of paragraph 79(a)(iv) of IAS1;
- b) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS1;
- c) the requirements of IAS7 '*Statement of Cash Flows*';
- d) the requirements of paragraphs 30 and 31 of IAS8 '*Accounting Policies, Changes in Accounting Estimates and Errors*';
- e) the requirements of paragraph 17 of IAS24 '*Related Party Disclosures*'; and
- f) the requirements in IAS24 '*Related Party Disclosures*' to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

**Significant 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.

**(a) Interest income/expense**

Interest income/expense is recognised as interest accrues using the effective interest rate method.

**(b) Taxation**

The charge or credit for taxation is based on the profit for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences reverse, based on the tax laws that have been enacted or substantively enacted by the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

**IMI MARSTON LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2015**

**2. Accounting policies continued**

**(c) Going concern**

The Company participates in the Group's centralised treasury arrangements and so shares funding arrangements with its parent and fellow IMI Group companies. The directors, having assessed the responses of the directors of the Company's ultimate parent IMI plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the IMI plc Group to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of IMI plc, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**3. Auditor's remuneration**

No amount in respect of auditor's remuneration has been included in arriving at the Company's result for the year as this cost has been borne by another IMI Group company, IMI Kynoch Limited.

**4. Directors' remuneration and staff costs**

The directors are remunerated by another IMI Group company. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 31 December 2015 or the year ended 31 December 2014.

**5. Interest receivable and similar income**

	2015 £000	2014 £000
Interest receivable from group undertakings	93	92
	<u>93</u>	<u>92</u>

**6. Taxation**

**(a) Tax charged in the income statement**

	2015 £000	2014 £000
<i>Current income tax:</i>		
UK Corporation tax	19	20
Total current tax charge	<u>19</u>	<u>20</u>

**(b) Reconciliation of the total tax charge**

The tax charge in the income statement for the year is equal to the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%).

**(c) Change in corporation tax rate**

It was announced in the Budget of 8 July 2015 that the UK corporation tax rate will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015. Further changes to the rate of UK corporation tax were proposed in the budget of 16 March 2016 to further reduce the rate from 1 April 2020 to 17%. As these changes were proposed subsequent to the balance sheet date and have not yet been substantively enacted, they are not reflected in these financial statements.

**IMI MARSTON LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2015**

**7 Debtors**

	2015	2014
Amounts owed by group undertakings	<u>18,596</u>	<u>18,523</u>

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

**8 Creditors: amounts falling due within one year**

	2015 £000	2014 £000
Corporation tax	<u>19</u>	<u>20</u>
	<u>19</u>	<u>20</u>

**9 Share capital**

	2015 Number	2014 Number	2015 £000	2014 £000
Authorised, allotted, called up and fully paid: Ordinary shares of £1 each	<u>66,667</u>	<u>66,667</u>	<u>67</u>	<u>67</u>

**10 Reserves**

	Profit & loss account £000	Share premium £000	Other reserves £000	Total £000
Balance as at 1 January 2015	7,316	3,120	8,000	18,436
Profit for the year	74	-	-	74
<b>Balance as at 31 December 2015</b>	<u><b>7,390</b></u>	<u><b>3,120</b></u>	<u><b>8,000</b></u>	<u><b>18,510</b></u>

**11 Related party transactions**

The Company has taken advantage of the exemption available under IAS24 'Related Party Disclosures' not to disclose transactions between the Company and other wholly owned subsidiaries and group undertakings of IMI plc.

**12 Ultimate parent company**

The Company's immediate parent company is IMI Kynoch Limited, a company incorporated in England and Wales. The Company's ultimate parent company is IMI plc, a company incorporated in England and Wales.

The results of the Company are consolidated into the group accounts of IMI plc. The consolidated accounts of IMI plc are available to the public and may be obtained from The Company Secretary, Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ.