

IMI Property Investments Limited
Directors' report and financial statements
For the year ended 31 December 2003
Registered number 2395737



IMI Property Investments Limited

Directors' report and financial statements

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IMI Property Investments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Review of the business

The Company did not trade during the year. No dividend is proposed. In April the company relocated its registered office to Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7XZ.

Directors and directors' interests

The directors of the company during the year were as follows:

Mr T J Slack (Chairman)
Mr L P Frith (Managing Director)

The interests of persons (including the interests of their families) who were directors at the end of the year in shares of the Company's ultimate holding company, IMI plc are shown below. None of the directors (or their families) had any interest in the share capital of the Company or any other subsidiary of IMI plc.

	IMI plc ordinary shares	
	As at 31 December 2003	As at 1 January 2003
L P Frith	2,657	2,657

Mr T J Slack is a director of the company and its ultimate holding company, IMI plc, and details of his shareholding in that company are disclosed in that company's financial statements.

Directors' share options

Options granted to and exercised by directors are shown below:

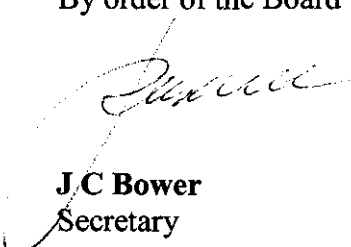
	Options granted during the year	Options exercised during the year
L P Frith	10,000	-

Options shown above are in respect of IMI plc Ordinary Shares and include options under the IMI SAYE Scheme and the IMI Executive Share Option (1985) Scheme and the IMI Executive Share Option (1996) Scheme.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial period which comply with the provisions of the Companies Act 1985 and give a true and fair view of the state of affairs of the company as at the end of the accounting period and of the profit or loss for that period. Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements. Applicable Accounting Standards have been followed and, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, the financial statements have been prepared on a going concern basis. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



J.C Bower
Secretary

Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham B37 7XZ

1st October 2004

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMI PROPERTY INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 8.

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 auditor

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 mis-statement, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc

*Chartered Accountants
Registered Auditor*

2 Cornwall Street
Birmingham

1st October 2004

IMI Property Investments Limited

Profit and loss account

for the year ended 31 December 2003

	Note	2003 £	2002 £
Profit for the financial year		-	-
Retained profit brought forward		<u>526,385</u>	<u>526,385</u>
Retained profit carried forward		<u>526,385</u>	<u>526,385</u>

MI Property Investments Limited

Balance sheet

for the year ended 31 December 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets					
Investments	2		<u>100</u>		<u>100</u>
Current assets					
Debtors	3	<u>526,385</u>		<u>526,385</u>	
Net current assets			<u>526,385</u>		<u>526,385</u>
Total assets less current liabilities			<u>526,485</u>		<u>526,485</u>
Capital and reserves					
Called up share capital	4	100		100	
Profit and loss account	5	<u>526,385</u>		<u>526,385</u>	
Equity shareholders' funds			<u>526,485</u>		<u>526,485</u>
			<u>526,485</u>		<u>526,485</u>

These financial statements were approved by the board of directors on 1st October 2004 and were signed on behalf by:

J.P. Frith

P Frith
Director

IMI Property Investments Limited

Statement of total recognised gains and losses

There were no recognised gains or losses attributable to the shareholder of the company other than those already dealt with in the profit and loss account.

Note of historical cost profits and losses

There is no material difference between the profit before taxation and the retained profit for the current and preceding years shown in the profit and loss accounts and their historical cost equivalents.

IMI Property Investments Limited

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 accounting

The financial statements have been prepared on a going concern basis in accordance with applicable Accounting Standards and the Companies Act 1985 and under the historical cost accounting convention.

The financial statements present information about the company as an individual undertaking and not about its group as the company, being a wholly-owned subsidiary of another UK body corporate, is exempt from the requirement to prepare group Financial Statements under section 228 of the Companies Act 1985 and to deliver them to the Registrar of Companies.

Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of IMI plc and its cash flows are included within the consolidated cash flow statement of that company.

Directors' emoluments

In common with previous years, neither the chairman nor any of the directors received any emoluments during the year.

2. Fixed assets – investments

	<u>2003</u>	<u>2002</u>
	£	£
Shares in group undertaking	<u>100</u>	<u>100</u>

In the opinion of the directors, the value of the company's shares in its subsidiary is not less than the amount at which the cost of the shares is included in the balance sheet.

Group financial statements have not been prepared because the company is a wholly owned subsidiary of IMI plc incorporated in Great Britain.

Details of the subsidiary undertaking are as follows:-

Company	Shares	Holding	Activity
Holford Estates Limited (incorporated in Great Britain)	£1 ordinary	100%	Property management

IMI Property Investments Limited

Notes

(continued)

3. Debtors

	2003	2002
	£	£
Amounts owed by group undertakings	<u>526,385</u>	<u>526,385</u>

4. Share capital

	2003	2002
	£	£
<i>Authorised:</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Issued, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

5. Reserves

	Profit & Loss
	£
Balance at 31 December 2003 and 2002	526,385

6. Ultimate holding company

The ultimate parent company is IMI plc which is incorporated in Great Britain. A copy of the group financial statements of that company can be obtained from:

The Company Secretary
Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham
B37 7XZ

HOLFORD ESTATES LIMITED

NOTES (forming part of the financial statements)

10. DIRECTORS' EMOLUMENTS

During the current and previous years, neither the chairman nor the other directors received any emoluments.

11. CONTINGENT LIABILITIES

The Company has overdraft facilities which form part of a composite accounting arrangement with those of IMI plc and certain of its subsidiaries. Accordingly, the Company, in concert with those other group companies, has entered into arrangements whereby each has offered a limited guarantee in respect of the others' overdraft borrowings from time to time. The Company's maximum liability is limited to the extent of its current account cash balances from time to time which, at 31 December 2003 amounted to £Nil (2002: £Nil).

12. ULTIMATE HOLDING COMPANY

The ultimate parent company is IMI plc which is incorporated in Great Britain. A copy of the group financial statements of that company can be obtained from:

The Company Secretary
Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham B37 7XZ