

Registered No. 04421176

IMI Vision Limited

Directors' report and financial statements

For the year ended 31 December 2011

(Registered in England and Wales - number 04421176)



IMI VISION LIMITED
Company details

Directors

J O'Shea
H Afford

Secretary

A J Eaton

Auditors

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

Registered office

Russell Way
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Brighouse
West Yorkshire
HD6 4LX

IMI VISION LIMITED
Directors' report and financial statements
for the year ended 31 December 2011

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CONTENTS

Directors' report	1-2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of IMI Vision Limited	4-5
Profit and loss account	6
Balance sheet	7
Reconciliation of movements in shareholder's deficit	8
Notes to the financial statements	9-12

IMI VISION LIMITED
Registered No. 04421176
Directors' report
for the year ended 31 December 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the Company is to act as an intermediate holding company for an investment in Quanta Fluid Solutions Ltd and to hold title to certain intellectual property rights. Licence income from intellectual property rights amounted to £873,000 in 2011 (2010 £1,468,000)

Risks are managed at a group level, rather than on an individual company or business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be relevant to an understanding of the development, performance or position of the Company's business.

Principal risks and uncertainties

The company is financed by IMI plc, the details of which can be found in the IMI plc annual report and financial statements, which do not form part of this report. The risks facing the IMI group are discussed in IMI plc's annual report.

Results and dividends

The results are set out on page 6. The profit for the year was £621,000 (2010 profit of £1,114,000). The directors do not recommend the payment of a dividend (2010 £nil).

Directors

The current directors are shown on the company details page.

The company's ultimate parent, IMI plc, maintained directors liability insurance for all directors of the company and one or more of the director(s) of the company benefits from third party indemnity provisions granted by IMI plc which were in place during the financial year. At the date of this report there are such indemnity arrangements with one or more director(s) of the company in respect of the costs of defending civil, criminal and regulatory proceedings brought against the director, in that director's capacity as a director, and subject always to the limitations set by the Companies Act 2006.

Subsequent events

In March 2012 the company agreed to make a further investment of £1,844,500 in Quanta Fluid Solutions Limited in return for "A" Preferred Shares.

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 is dependent upon continuing financial assistance being made available by its parent, to enable it to continue operating and meeting its liabilities as they fall due. The finance and support function is available for a period of at least twelve months after the date of approval of these financial statements and has been confirmed in writing to the directors and the directors believe that it is therefore appropriate to prepare financial statements on a going concern basis.

IMI VISION LIMITED
Registered No. 04421176
Directors' report
for the year ended 31 December 2011

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

By order of the Board

A handwritten signature in black ink, appearing to be 'J. O'Shea', written over a horizontal line.

J. O'Shea
Director

IMI VISION LIMITED**Statement of directors' responsibility 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those 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, 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 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.

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

We have audited the financial statements of IMI Vision Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Deficit 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 2011 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 matter prescribed by the Companies Act 2006

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

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

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 directors' 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

Andrew Walton (Senior statutory auditor)

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

Birmingham

26 June 2012

IMI VISION LIMITED
Profit and loss account
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover	2	873	1,468
Cost of sales		(27)	(18)
Gross profit		846	1,450
Operating profit - being profit on ordinary activities before taxation	3	846	1,450
Tax on profit on ordinary activities	6	(225)	(336)
Profit for the financial year		621	1,114

All activities relate to continuing operations

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

IMI VISION LIMITED
Balance sheet
as at 31 December 2011

	Notes	2011		2010	
		£000	£000	£000	£000
Fixed assets					
Investments	7		<u>500</u>		<u>500</u>
Creditors amounts falling due within one year	8	(17,703)		(18,324)	
Net current liabilities			(17,703)		(18,324)
Total assets less current liabilities			<u>(17,203)</u>		<u>(17,824)</u>
Capital and reserves					
Called up share capital	9		-		-
Profit and loss account	10		(17,203)		(17,824)
Shareholder's deficit			<u>(17,203)</u>		<u>(17,824)</u>

These financial statements were approved by the board of directors on 26/6/12 and were signed on its behalf by



J O'Shea
Director

IMI VISION LIMITED**Reconciliation of movements in shareholder's deficit
for the year ended 31 December 2011**

	2011 £000	2010 £000
Profit for the financial year	<u>621</u>	<u>1,114</u>
Net reduction in shareholder's deficit	621	1,114
Opening shareholder's deficit	(17,824)	(18,938)
Closing shareholder's deficit	<u><u>(17,203)</u></u>	<u><u>(17,824)</u></u>

IMI VISION LIMITED
Notes to the financial statements
for the year ended 31 December 2011

1 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

The financial statements present information about the company as an individual undertaking and not the group as the company is exempt from the requirement to prepare group financial statements under Section 401 of the Companies Act 2006

Cash flow

A group cash flow statement for the year ended 31 December 2011 is included in the IMI plc group financial statements and accordingly no cash flow statement is shown in these financial statements

Related parties

Transactions with other IMI plc group companies, being related parties under FRS 8, have not been disclosed in these financial statements as the company is itself a wholly owned subsidiary of that group

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off where, in the opinion of the directors, there has been an impairment in the value of an investment

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

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. Deferred taxation is recognised without discounting on all timing differences which have arisen but not reversed at the balance sheet date, except as otherwise stated by FRS 19

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 1

The company is dependent upon continuing financial assistance being made available by its parent, to enable it to continue operating and meeting its liabilities as they fall due. The finance and support function is available for a period of at least twelve months after the date of approval of these financial statements and has been confirmed in writing to the directors and the directors believe that it is therefore appropriate to prepare financial statements on a going concern basis

IMI VISION LIMITED
Notes to the financial statements
for the year ended 31 December 2011

2 Turnover

Turnover represents license income, all exclusive of value added tax. The license income recorded as turnover is calculated according to the license fee agreements, the amounts charged are based on the number of products sold using the licensed technologies subject to a minimum annual charge. All turnover is sourced from IMI Vision Limited's intellectual property that is held in the United Kingdom.

	2011 £000	2010 £000
UK	406	273
North/South/Central America	467	1,195
	<u>873</u>	<u>1,468</u>

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2011 £000	2010 £000
<i>Auditors' remuneration</i>		
Audit of these financial statements	-	1

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

4. Remuneration of directors

In common with 2010 the current directors are remunerated by other IMI plc group companies. 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 for the year ended 31 December 2011.

5 Staff numbers and costs

The average number of persons employed by the company during the year was nil (2010 nil).

No payroll costs were incurred by the company (2010 £nil).

6 Taxation

(a) Tax on profit on ordinary activities

	2011 £000	2010 £000
<i>Current tax</i>		
UK Corporation tax at 26.5% (2010 28%)	224	406
Adjustment in respect of prior years	1	(70)
Tax on profit on ordinary activities	<u>225</u>	<u>336</u>

IMI VISION LIMITED
Notes to the financial statements
for the year ended 31 December 2011

6 Taxation (continued)

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities for the year is higher than the average weighted rate of corporation tax in the UK of 26.5% (2010 28%). The differences are reconciled below

	2011 £000	2010 £000
Profit on ordinary activities before tax	<u>846</u>	<u>1,450</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	224	406
Effects of		
Adjustments in respect of prior years	<u>1</u>	<u>(70)</u>
Total current tax (note 6(a))	<u>225</u>	<u>336</u>

(c) Factors that may affect future charges

The Finance Act 2011, enacted on 19 July 2011, reduced the main rate of corporation tax to 26% from 1 April 2011 and to 25% from 1 April 2012. Deferred tax assets and liabilities at 31 December 2011 have been calculated at 25% and the reduction in the deferred tax asset or liability has been included within the tax charge for the year.

The UK government announced in the Budget of 21 March 2012 further reductions in the standard rate of UK Corporation Tax to 24% from 1 April 2012 and announced a further reduction of 1% per annum to 22% from 1 April 2014. The 1% reduction in the main rate of UK Corporation Tax to 24% was substantively enacted on 26 March 2012 (through the Provisional Collection of Taxes Act procedure). These reductions had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

7 Investments

	2011 £000	2010 £000
Cost and net book value	<u>500</u>	<u>500</u>

The company holds 31.4% of the issued ordinary share capital of Quanta Fluid Solutions Limited which is registered in England and Wales. In the opinion of the directors, the value of the company's shares in its investment is not less than the amount at which the cost of the shares is included in the balance sheet.

8 Creditors – amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	17,479	17,918
Corporation tax	<u>224</u>	<u>406</u>
	<u>17,703</u>	<u>18,324</u>

IMI VISION LIMITED
Notes to the financial statements
for the year ended 31 December 2011

9 Called up share capital

	2011 £	2010 £
<i>Authorised, allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

10 Reserves

	Profit and loss account £000
At beginning of year	(17,824)
Profit for the year	<u>621</u>
At end of year	<u>(17,203)</u>

11 Post balance sheet events

In March 2012 the company agreed to make a further investment of £1,844,500 in Quanta Fluid Solutions Limited in return for "A" preferred shares

12 Ultimate parent company

The ultimate parent company is IMI plc which is registered in England and Wales. The immediate parent undertaking is IMI Kynoch Limited which is registered in England and Wales.

A copy of the financial statements of both companies can be obtained from The Company Secretary, Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ.