

REGISTERED NUMBER 04430927 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2009  
FOR  
TRUFLO INVESTMENTS LIMITED**

THURSDAY



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FOR THE YEAR ENDED 31ST DECEMBER 2009**

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**TRUFLO INVESTMENTS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2009**

**DIRECTORS:**

Mr I D Moore  
Mr J R Perkins

**SECRETARY:**

Mr J R Perkins

**REGISTERED OFFICE**

Noble Way  
Witton  
Birmingham  
B6 7ES

**REGISTERED NUMBER:**

04430927 (England and Wales)

**AUDITORS.**

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2009**

The directors present their report with the financial statements of the company for the year ended 31st December 2009

**PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE DEVELOPMENT**

The company acted as an intermediate holding company. The profit and loss account for the year is set out on page 5. The directors consider that the results for the year were satisfactory.

The directors do not expect any changes to the business for the foreseeable future.

**GOING CONCERN**

The directors, having assessed the responses of the directors of the ultimate parent company, IMI plc, to their enquiries, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of Truflo Investments Limited to continue as a going concern.

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 its financial role for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of financial statements.

**DIRECTORS' INDEMNITIES**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2009.

**DIRECTORS**

Mr J R Perkins has held office during the whole of the period from 1st January 2009 to the date of this report.

Changes in directors holding office are as follows:

Mr I D Moore - appointed 4th December 2009

Mr C N Robinson - resigned 4th December 2009

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD**



Mr J R Perkins - Director

Date 30/12/10

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31ST DECEMBER 2009**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 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 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.

**REPORT OF THE INDEPENDENT AUDITORS  
FOR THE YEAR ENDED 31ST DECEMBER 2009**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUFLO INVESTMENTS LIMITED**

We have audited the financial statements of Truflo Investments Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 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 (APB'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.

**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 2009 and of its loss 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.

**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*

*Christopher Voogd (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham*

*30 September 2010*

**TRUFLO INVESTMENTS LIMITED (REGISTERED NUMBER: 04430927)**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
Administrative expenses		<u>7</u>	<u>7</u>
<b>OPERATING LOSS</b>	2	(7)	(7)
Interest payable and similar charges	4	<u>1,856</u>	<u>3,155</u>
		(1,863)	(3,162)
Amounts written off intangible fixed assets	5	<u>75</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,938)	(3,162)
Tax on loss on ordinary activities	6	<u>(521)</u>	<u>(899)</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(1,417)</u>	<u>(2,263)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year

**TRUFLO INVESTMENTS LIMITED (REGISTERED NUMBER: 04430927)**

**BALANCE SHEET  
31ST DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	-	80
Investments	8	<u>51,599</u>	<u>51,599</u>
		51,599	51,679
<b>CURRENT ASSETS</b>			
Debtors			
Amounts falling due within one year	9	522	927
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>-</u>	<u>4</u>
<b>NET CURRENT ASSETS</b>		<u>522</u>	<u>923</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		52,121	52,602
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	<u>58,960</u>	<u>58,024</u>
<b>NET LIABILITIES</b>		<u>(6,839)</u>	<u>(5,422)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	200	200
Profit and loss account	13	<u>(7,039)</u>	<u>(5,622)</u>
<b>SHAREHOLDERS' DEFICIT</b>	14	<u>(6,839)</u>	<u>(5,422)</u>

The financial statements were approved by the Board of Directors on its behalf by

30/9/10

and were signed on



Mr J R Perkins - Director



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2009**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

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

The directors, having assessed the responses of the directors of the ultimate parent company, IMI plc, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of Truflo Investments Limited to continue as a going concern

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 its financial role for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of financial statements

Under Financial Reporting Standard 1, 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

As the company is a wholly-owned subsidiary of IMI plc, the company has taken advantage of the exception contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group

The Company has not prepared consolidated financial statements as permitted by Section 400 of the Companies Act 2006. The consolidated financial statements of IMI plc, within which the company is included, may be obtained from the address given in note 15

**Intangible fixed assets and amortisation**

Intangible fixed assets purchased separately from a business are capitalised at their cost

Concession, patents, licences and trademarks purchased by the company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods

**Interest payable**

Interest paid is recognised using the effective interest method

**Investments**

Fixed asset investments are shown at cost

**2 OPERATING LOSS**

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, Truflo International Limited

**3 DIRECTORS AND EMPLOYEES**

The directors are remunerated by other IMI plc 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 current year (2008 £nil)

With the exception of the directors, the company had no other employees during the current year (2008 Nil)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2009

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£'000	£'000
Interest payable on inter-company loans	<u>1,856</u>	<u>3,155</u>

5 AMOUNTS WRITTEN OFF INTANGIBLE FIXED ASSETS

	2009	2008
	£'000	£'000
Impairment of patents	<u>75</u>	<u>-</u>

6 TAXATION

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax	(522)	(901)
Adjustments in respect of prior years	<u>1</u>	<u>2</u>
Tax on loss on ordinary activities	<u>(521)</u>	<u>(899)</u>

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2009	2008
	£'000	£'000
Loss on ordinary activities before tax	<u>(1,938)</u>	<u>(3,162)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	(543)	(901)
Effects of Adjustments to tax charge in respect of previous years	<u>1</u>	<u>2</u>
Non deductible items	<u>21</u>	<u>-</u>
Current tax credit	<u>(521)</u>	<u>(899)</u>

**Factors that may affect future tax charges**

On 22 June 2010 the UK Chancellor of the Exchequer announced a number of corporate tax reforms that are effective from 1 April 2011

From the following changes to corporation tax will have an impact on the company

- Mainstream rate of UK corporation tax reduction from 28% to 24% over a period of 4 years, beginning 1 April 2011, and
- A proposed reduction in the main and special rate of capital allowances to 18% and 8% respectively for accounting period ending after April 2012

The full impact of these changes has yet to be ascertained but it is likely that the company will have a lower UK effective tax rate on future taxable profits, subject to the receipt of group relief

The calculation of deferred tax balances does not therefore reflect the potential impact of these proposed rate reductions as they were not substantively enacted at the balance sheet date. These will be appropriately disclosed in the next year's statutory accounts

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2009

7 INTANGIBLE FIXED ASSETS

<b>COST</b>	Patents £'000
At 1st January 2009 and 31st December 2009	<u>100</u>
<b>AMORTISATION AND PROVISIONS</b>	
At 1st January 2009	20
Amortisation for year	5
Impairments	<u>75</u>
At 31st December 2009	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31st December 2009	<u>-</u>
At 31st December 2008	<u>80</u>

8 FIXED ASSET INVESTMENTS

<b>COST</b>	Shares in group undertakings £'000
At 1st January 2009 and 31st December 2009	<u>51,599</u>
<b>NET BOOK VALUE</b>	
At 31st December 2009	<u>51,599</u>
At 31st December 2008	<u>51,599</u>

The company's principal trading subsidiary is set out below

Subsidiary	Country of incorporation
Truflo International Limited	England and Wales

All subsidiary undertakings are wholly-owned by Truflo Investments Limited and all holdings are of ordinary shares

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Corporation tax recoverable	<u>522</u>	<u>927</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Amounts owed to group undertakings	<u>-</u>	<u>4</u>

Amounts owed to parent and fellow subsidiary undertakings are established at arm's length terms and bear interest at the relevant amount of 3.25% (2008: 5.76%)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2009

11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2009	2008
	£'000	£'000
Amounts owed to group undertakings	<u>58,960</u>	<u>58,024</u>

Amounts owed to parent and fellow subsidiary undertakings are established at arm's length terms and bear interest at the relevant amount of 3.25% (2008 5.76%)

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2009	2008
			£'000	£'000
200,000	Ordinary shares	£1	<u>200</u>	<u>200</u>

13 RESERVES

	Profit and loss account £'000
At 1st January 2009	(5,622)
Loss for the year	<u>(1,417)</u>
At 31st December 2009	<u>(7,039)</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2009	2008
	£'000	£'000
Loss for the financial year	<u>(1,417)</u>	<u>(2,263)</u>
Net increase of shareholders' deficit	(1,417)	(2,263)
Opening shareholders' deficit	<u>(5,422)</u>	<u>(3,159)</u>
Closing shareholders' deficit	<u>(6,839)</u>	<u>(5,422)</u>

15 ULTIMATE PARENT COMPANY

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

16 IMMEDIATE PARENT COMPANY

The immediate parent company is that of Truflo Group Limited, a subsidiary of IMI plc, which is incorporated in England and Wales.