

Registered No. 06386809

IMI Group Limited

Strategic Report, Directors' Report and financial statements

For the year ended 31 December 2022

(Registered in England and Wales - number 06386809)



IMI GROUP LIMITED
Registered No. 06386809
Strategic Report, Directors' Report and financial statements
for the year ended 31 December 2022

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IMI GROUP LIMITED
Registered No. 06386809
Strategic Report
for the year ended 31 December 2022

The directors of IMI Group Limited (the 'Company') submit their Strategic Report for the year ended 31 December 2022.

1. Principal activities

The Company is a wholly owned subsidiary of IMI plc. The Company acts as the principal holding company for investments controlled by IMI plc. The Company may carry out any activity for the benefit of itself, IMI plc its parent, or a member of the IMI group of companies. During the period, the Company's principal activities were:

- The arrangement and ongoing management of external debt facilities;
- The provision of loans to and from members of the IMI group of companies;
- The management of investments in subsidiary undertakings; and
- The management of IMI group companies' balance sheet currency positions.

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. 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.

2. Business review

The Company reported a lower profit after tax of £126,432,000 for the year (2021: £246,821,000), primarily as a result of lower dividend income in the year of £70,001,000 (2021: £250,001,000). Profit and cash generation of the Company's subsidiary undertakings remains strong, with significant distributable reserves available for future dividends to the Company. The resultant profit before tax was £124,807,000 (2021: £247,743,000). The Company's net assets as at 31 December 2022 increased to £1,238,935,000 (2021: £1,152,503,000).

In June 2022, the Company made a capital contribution to IMI Finance SA in exchange for an increased shareholding of £90,693,200.

In December 2022, the Company disposed of its investment in The IMI Scottish Limited Partnership and The IMI 2017 Scottish Limited Partnership resulting in a gain on disposal of £63,101,000. As part of the disposal, The IMI Scottish Limited Partnership and The IMI 2017 Scottish Limited Partnership transferred two loan notes with fair value £66,000,000 and £61,300,000 respectively to IMI Group Limited. Consequently, the gain on disposal has been recorded in distributable reserves as the debtor of the loan notes, IMI Overseas Investments Limited, is capable of settling the loans within a short period of time if it was called upon to do so.

As the Company is a holding company, 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.

3. Future developments

The Company anticipates that it will continue to utilise its financial strength to support its principal activities for the foreseeable future.

4. Principal risks and uncertainties

The Company is financed by a mixture of variable rate loans from other members of the IMI Group of companies and external term loans.

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

5. Section 172 Statement & Stakeholder Interests

A statement pursuant to Section 172 of the Companies Act 2006 is required content in these statutory accounts. The primary duty of the directors under Section 172 is to act in the way they consider would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and to do so having regard as appropriate to certain statutory factors and other relevant matters.

All director decisions are made with the Company's long-term success in mind and the directors have regard to a broad range of matters including the voice of stakeholders. Set out below is specific commentary in relation to each of the Section 172 factors:

The likely consequences of any decision in the long-term

The overall Company performance is largely dependent on dividend income and interest receivable from other group companies who have adopted a five-year business planning period and set strategies with a view to long-term success. In achieving this, throughout the strategic review process, there was focus on the most attractive markets.

The Company paid a dividend of £40,000,000 during the year (2021: £260,000,000). Refer to note 9.

The need to foster business relationships with suppliers and others

The Company works closely with third parties engaged to provide banking facilities, professional services and other administrative services who are closely managed from a commercial and compliance perspective. The directors foster strong business relationships where there is ongoing commercial dialogue and fair payment terms in place.

The impact of operations on the community and the environment

The Company is part of the IMI plc group, who makes a positive contribution to the local community as an employer and through offering employee training and community activities including the annual IMI Way Day, charitable activity and donations. Further information is provided in the 2022 Annual Report & Accounts (page 56).

The Company monitors its impact on the environment with energy and waste initiatives. The environmental policy and metrics for IMI plc are published within the 2022 Annual Report & Accounts (page 46) and demonstrate a responsible approach.

The desirability of maintaining a reputation for high standards of business conduct

The Company is careful of its reputation and decisions reflect this and the great importance attached to the reputation by all key stakeholders. The Company demands high standards of conduct from all directors who are mindful of how and with whom business is conducted. The Company will decline to have dealings with third-parties who display poor business conduct.

The need to act fairly between shareholders of the Company

The directors understand the importance of treating shareholders fairly. The Company has only one class of share in issue and all shareholders individually enjoy the same shareholder rights as the others.

Approved by the Board and signed on its behalf by:



D J Shook
Director
28 April 2023

IMI GROUP LIMITED
Registered No. 06386809
Directors' Report
for the year ended 31 December 2022

The directors of IMI Group Limited (the 'Company') submit their Directors' Report together with the audited financial statements for the year ended 31 December 2022.

1. Profits and dividends

The results for the financial year are shown in the financial statements. The Company paid a dividend of £40,000,000 in 2022 (2021: £260,000,000). The directors have not recommended a final dividend for the year (2021: £nil).

2. Directors

The directors who held office during the year and since 31 December 2022 were as follows:

D J Shook
A Edwards
L Grant
L Waldek

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

3. 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 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. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

4. Business relationships

Management considers the Company's business relationships with suppliers and customers as strategically important. See further details on its relationships with all key stakeholders in the Section 172 report in the Strategic Report.

5. 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 and Principal risks and uncertainties sections of the Strategic Report.

The financial statements have been prepared on a going concern basis. The directors have prepared forecasts including cash flow forecasts which are for a period of at least 12 months from the date of approval of these financial statements up to and including April 2024. These demonstrate that the Company has sufficient headroom within its facilities to meet its liabilities as they fall due.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company's financial forecasts, taking into consideration the current environment, show that the Company is expected to remain profitable and generate positive cash flows in the form of dividends from its subsidiaries, giving the Company the ability to continue to operate for the foreseeable future. Furthermore, the parent entity, IMI plc, has confirmed it will continue to provide financial support to the Company for a period of not less than 12 months from the date of approval of these financial statements. As with any Company placing reliance on its parent for financial support, the directors acknowledge that there can be no absolute certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have considered the current macroeconomic conditions on the Company's and IMI plc Group's business operations and future prospects. The Group is well diversified and maintains a balanced portfolio operating across a range of markets, sectors and geographies with no single dependency. Performance in each of IMI's three divisions has been robust during the year. Supply chain disruptions have been well managed and alternative suppliers or contingency stocks have addressed the few instances of part shortages. During this period of uncertainty, the Group continues to maintain a robust financial position.

Accordingly, the directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

IMI GROUP LIMITED
Registered No. 06386809
Directors' Report
for the year ended 31 December 2022

6. Auditors

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

7. 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.

8. Events after the end of the reporting period

On 1 February 2023, the Company renewed its £50m multicurrency Revolving Credit Facility (RCF) with Bank of America Europe Designated Activity Company (BAML). The agreement has an original maturity date of 1 February 2026 with the option to extend the agreement for a further two years.

Approved by the Board and signed on its behalf by:



D J Shook
Director
28 April 2023

IMI GROUP LIMITED
Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, 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 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 Group Limited

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IMI Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006, and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

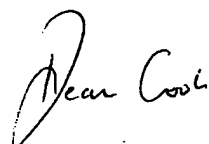
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Dean Cook MA FCA
Senior statutory auditor

For and on behalf of Deloitte LLP, Statutory Auditor
London, United Kingdom

2 May 2023

IMI GROUP LIMITED**Profit and loss account and statement of comprehensive income
for the year ended 31 December 2022**

Profit and loss account

	Notes	2022 £000	2021 £000
Administrative expenses		(151)	(238)
Other operating income	10	63,114	-
Operating profit/(loss)		62,963	(238)
Income from shares in group undertakings	3	70,001	250,001
Interest receivable and similar income	6	38,882	15,729
Interest payable and similar costs	7	(53,572)	(16,810)
Exchange gains/(losses) on foreign currency loans and derivatives		6,533	(939)
Profit on ordinary activities before taxation		124,807	247,743
Income tax credit/(charge)	8	1,625	(922)
Profit for the financial year		126,432	246,821

Statement of comprehensive income

	2022 £000	2021 £000
Profit for the financial year	126,432	246,821
Gain on disposal of subsidiary	-	91,766
Total comprehensive income for the year	126,432	338,587

All activities relate to continuing operations.

IMI GROUP LIMITED
Registered No. 06386809
Balance sheet
as at 31 December 2022

	Notes	2022 £000	2021 £000
<i>Fixed assets</i>			
Investments	10	<u>4,075,319</u>	<u>3,719,171</u>
		<u>4,075,319</u>	<u>3,719,171</u>
<i>Current assets</i>			
Debtors: amounts falling due within one year	11	5,579	1,133
Derivative financial assets	15	-	4,912
Cash at bank and in hand		-	-
		<u>5,579</u>	<u>6,045</u>
Creditors: amounts falling due within one year	12	(153,230)	(2,141,791)
Deferred tax liabilities	8	(405)	(608)
Derivative financial liabilities	15	<u>(3,911)</u>	<u>-</u>
		<u>(157,546)</u>	<u>(2,142,399)</u>
Net current liabilities		(151,967)	(2,136,354)
Total assets less current liabilities		3,923,352	1,582,817
Creditors: amounts falling due after more than one year	13	(2,684,417)	(430,314)
Net assets		<u>1,238,935</u>	<u>1,152,503</u>
<i>Capital and reserves</i>			
Called up share capital	14	50,000	50,000
Non-distributable reserves		391,598	391,598
Profit and loss account		<u>797,337</u>	<u>710,905</u>
Total equity		<u>1,238,935</u>	<u>1,152,503</u>

These financial statements were authorised for issue by the board of directors on 28 April 2023 and were signed on its behalf by:



D J Shook
Director

IMI GROUP LIMITED
Statement of changes in equity
for the year ended 31 December 2022

	Called up share capital £000	Non- distributable reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2021	50,000	299,832	724,084	1,073,916
Profit for the financial year	-	-	246,821	246,821
Gain on disposal of subsidiary	-	-	91,766	91,766
Total comprehensive income for the year	-	-	338,587	338,587
Gain on disposal of subsidiary	-	91,766	(91,766)	-
Equity dividends paid	-	-	(260,000)	(260,000)
At 31 December 2021	50,000	391,598	710,905	1,152,503
Profit for the financial year	-	-	126,432	126,432
Total comprehensive income for the year	-	-	126,432	126,432
Equity dividends paid	-	-	(40,000)	(40,000)
At 31 December 2022	50,000	391,598	797,337	1,238,935

The opening balance for non-distributable reserves of £299,832,000 relates to a distribution received of £182,744,000 from IMI Holdings GmbH in 2011 and the sale of the investment in IMI Holdings GmbH to IMI Germany Holding Limited & Co. KG, which generated a gain on disposal of £117,088,000 in 2011.

The non-distributable reserve created during 2021 relates to the sale of the investment in IMI Holdings Italy S.R.L to IMI Overseas Investments Limited which generated a gain on disposal of £91,766,000.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

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

The financial statements of IMI Group Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 28 April 2023 and the balance sheet was signed on the Board's behalf by D J Shook. The Company is a private company limited by shares, which is incorporated and domiciled in the UK, and is registered in England and Wales. The address of its registered office is 4060 Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ.

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 Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of IMI plc.

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 financial statements are prepared in sterling and are rounded to the nearest thousand pounds (£000).

2. Accounting policies**Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for the revaluation of derivative financial instruments and contingent liabilities that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

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

- a) the requirements of IFRS 7 '*Financial Instruments*';
- b) the requirements of paragraphs 91-99 of IFRS 13 '*Fair Value Measurement*';
- c) the requirement in paragraph 38 of IAS 1 '*Presentation of Financial Statements*' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1;
- e) the requirements of IAS 7 '*Statement of Cash Flows*';
- f) the requirements of paragraphs 30 and 31 of IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*';
- g) the requirements of paragraph 17 of IAS 24 '*Related Party Disclosures*'; and
- h) the requirements in IAS 24 '*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.

Critical 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. Management do not consider that there are any significant judgements or key sources of estimation uncertainty which are applicable to the preparation of this set of financial statements.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

2. Accounting policies (continued)**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) Income from shares in group undertakings

Dividend income is recognised when the Company's right to receive payment is established.

(c) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the income statement.

(d) 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.

(e) Investments

Investments are held at amortised cost less any provisions for impairment.

(f) Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(g) Derivatives

The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Such derivative financial instruments are initially recognised at cost and are subsequently fair valued at each balance sheet date.

The criteria for forward currency contracts are:

- a) the instrument must be related to a firm foreign currency commitment;
- b) it must involve the same currency as the hedged item; and
- c) it must reduce the risk of foreign currency exchange movements on the Company's operations.

(h) Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the financial cost in respect of the reporting period and reduced by the repayments made in the period. Finance costs of debt are allocated over the debt at a constant rate on the carrying amount.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

2. Accounting policies (continued)**(i) 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 and Principal risks and uncertainties sections of the Strategic Report.

The financial statements have been prepared on a going concern basis. The directors have prepared forecasts including cash flow forecasts which are for a period of at least 12 months from the date of approval of these financial statements up to and including April 2024. These demonstrate that the Company has sufficient headroom within its facilities to meet its liabilities as they fall due.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company's financial forecasts, taking into consideration the current environment, show that the Company is expected to remain profitable and generate positive cash flows in the form of dividends from its subsidiaries, giving the Company the ability to continue to operate for the foreseeable future. Furthermore, the parent entity, IMI plc, has confirmed it will continue to provide financial support to the Company for a period of not less than 12 months from the date of approval of these financial statements. As with any Company placing reliance on its parent for financial support, the directors acknowledge that there can be no absolute certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have considered the current macroeconomic conditions on the Company's and IMI plc Group's business operations and future prospects. The Group is well diversified and maintains a balanced portfolio operating across a range of markets, sectors and geographies with no single dependency. Performance in each of IMI's three divisions has been robust during the year. Supply chain disruptions have been well managed and alternative suppliers or contingency stocks have addressed the few instances of part shortages. During this period of uncertainty, the Group continues to maintain a robust financial position.

Accordingly, the directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

3. Income from shares in group undertakings

Income from shares in group undertakings for the year ended 31 December 2022 resulted from dividends paid by the Company's subsidiaries of £70,001,000 (2021: £250,001,000).

4. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the Company's financial statements:

	2022	2021
	£000	£000
Audit of the financial statements	<u>11</u>	<u>10</u>

The total amount paid for non-audit services during the year was £nil (2021: £nil).

5. Directors' remuneration and staff costs

The directors received remuneration for the year of £3,158,742 (2021: £3,551,763), all of which was borne by a fellow subsidiary. The directors do not believe that it is practical to apportion this amount between their services as directors of the Company and their services as directors of fellow subsidiary companies. There were no employees during the year or the previous year.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

6. Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable from group undertakings	34,683	13,495
Bank interest receivable	3	-
On hedging	4,196	2,234
	<u>38,882</u>	<u>15,729</u>

The hedging income arises from interest differentials on foreign exchange contracts undertaken for the management of IMI Group companies' balance sheet currency positions.

7. Interest payable and similar costs

	2022	2021
	£000	£000
Interest payable to group undertakings	35,917	7,516
Interest payable on bank loans and unsecured loan notes	17,655	9,294
	<u>53,572</u>	<u>16,810</u>

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

8. Taxation

(a) Tax charged in the income statement	2022	2021
	£000	£000
<i>Current income tax:</i>		
UK Corporation tax	(1,422)	(275)
Adjustments in respect of prior years	-	1
Total current tax credit	<u>(1,422)</u>	<u>(274)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(154)	(204)
Adjustment in respect of prior years	-	1,205
Effect of rate change	(49)	195
Total deferred tax (credit)/charge	<u>(203)</u>	<u>1,196</u>
Tax (credit)/charge in the income statement	<u>(1,625)</u>	<u>922</u>

(b) Reconciliation of the total tax credit

The tax (credit)/charge in the income statement for the year is different to the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022	2021
	£000	£000
Profit from continuing operations before taxation	<u>124,807</u>	<u>247,743</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	23,713	47,071
Effects of:		
Non taxable income	(25,289)	(47,500)
Non-deductible expenses	-	(49)
Adjustments in respect of previous years	-	1,205
Effect of rate change	(49)	195
Total tax (credit)/charge reported in the income statement	<u>(1,625)</u>	<u>922</u>

(c) Change in corporation tax rate

The rate of corporation tax in the UK for 2022 was 19% (2021: 19%). As from 1 April 2023, it will increase from 19% to 25%. UK deferred tax assets and liabilities have therefore been calculated using a rate of 25% (2021: 25%).

(d) Deferred tax

	2022	2021
	£000	£000
Other timing differences	(405)	(608)
Deferred tax liability	<u>(405)</u>	<u>(608)</u>
Deferred tax (liability)/asset at start of year	(608)	588
Deferred tax credit/(charge) in income statement for the year	203	(1,196)
Deferred tax liability at end of year	<u>(405)</u>	<u>(608)</u>

Deferred tax is recognised on the basis that there will be sufficient profits within the Company in future years against which the deferred tax liability can reverse.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

9. Dividends paid and proposed

	2022 £000	2021 £000
Equity dividends on ordinary shares declared and paid during the year	<u>40,000</u>	<u>260,000</u>

The dividend paid in 2022 amounts to a dividend per share of £0.80 (2021: £5.20).

10. Fixed asset investments

	2022 £000	2021 £000
Investments in subsidiary undertakings	2,491,770	2,465,275
Loan due from subsidiary undertakings	<u>1,583,549</u>	<u>1,253,896</u>
	<u>4,075,319</u>	<u>3,719,171</u>

The loan due from subsidiary undertakings is due for repayment on 31 December 2027, is unsecured and bears interest at the relevant benchmark interest rate +1.86%.

Investments in subsidiary undertakings

	Shares in group undertakings £000
Cost	
At 1 January 2022	2,465,275
Additions	90,693
Disposals	(64,198)
At 31 December 2022	<u>2,491,770</u>
Provision for impairment	
Amounts written off investments	<u>-</u>
Net book value at 31 December 2022	<u>2,491,770</u>
Net book value at 31 December 2021	<u>2,465,275</u>

In June 2022, the Company made a capital contribution to IMI Finance SA in exchange for an increased shareholding of £90,693,200.

In December 2022, the Company disposed of its investments in The IMI Scottish Limited Partnership and The IMI 2017 Scottish Limited Partnership resulting in a gain on disposal of £63,101,000. The total value of these investments was £64,198,000.

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings at 31 December 2022 is not less than the aggregate carrying value stated in the balance sheet.

IMI GROUP LIMITED
Notes to the financial statements
for the year ended 31 December 2022

10. Fixed asset investments (continued)

The principal country in which each undertaking operates is the country of incorporation. The Company's effective interest in the undertakings is 100% unless shown below, and is held in each case by a subsidiary undertaking, except for those marked * in which case it is held directly by the Company.

Charles Baynes Netherlands B.V., Holford Estates Limited, IMI CIF Trustee Limited*, IMI Components Limited, IMI Deutschland Limited*, IMI Euro Finance Limited, IMI Fluid Controls (Finance) Limited, IMI Germany Limited*, IMI Group Limited, IMI Kynoch Limited*, IMI Marston Limited, IMI Overseas Investments Limited*, IMI Pension Trust Limited*, IMI plc, IMI Precision Engineering Limited, IMI Property Investments Limited, IMI Refiners Limited, IMI Retirement Savings Trust Limited*, IMI Sweden Finance Limited, IMI Vision Limited, Liquick 211 Limited, Truflo Group Limited*, Truflo International Limited, Truflo Investments Limited	Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham, West Midlands, B37 7XZ, United Kingdom
Finch Land Management LLC, IMI Americas LLC, IMI Fluid Controls Holdings Inc, IMI Norgren LLC, Norgren LLC	5400 South Delaware Street, Littleton, CO 80120, United States
IMI Critical Engineering Holding GmbH, IMI Deutschland II GmbH & Co KG, IMI Germany Holding B.V. & Co. KG, Norgren GmbH	Bruckstrasse 93, 46519 Alpen, Germany
Adaptas Acquisition Co., Adaptas Acquisition Holdings, LLC Adaptas Solutions, LLC	Palmer Industrial Park, 9 Second Street, Palmer, MA 01069, United States
Heimeier GmbH, IMI Hydronic Engineering Deutschland GmbH, THJ Holding GmbH	Postfach 1124 59592 Erwitte, Völlinghauser Weg, 59597 Erwitte
IMI Australia Pty Ltd, IMI Critical Engineering (PAC) Pty Ltd, IMI Lakeside Australia Pty Ltd	33 South Corporate Avenue, Rowville VIC 3178, Australia
IMI Finance SA, IMI Finance USD SA, IMI Hydronic Engineering International SA	Route de Crassier 19, Lake Geneva Business Park, 1262 Eysins, Switzerland
Adaptas Solutions Pty Ltd, DeTech Australia Holdings Pty Ltd	2-8 Martha Street, Clyde NSW 2142, Australia
IMI Aero-Dynamiek BVBA,	Boomsesteenweg 28, B 2627 Schelle, Belgium

IMI GROUP LIMITED
Notes to the financial statements
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IMI Hydronic Engineering N.V.	Fountain Business Park, C. Van Kerckhovenstraat 110 Gebouw 3 BE-2880 Bornem
CCI Italy S.R.L., IMI Holding Italy S.R.L., Orton S.R.L.	Via Larga 6, 20122 Milan, Italy
IMI Hydronic Engineering A/S, Norgren A/S	Vesterlundvej 18, 2730 Herlev, Denmark
IMI Hydronic Engineering AS, Norgren AS	Glynitveien 7, Ski, N-1400, Norway
IMI Hydronic Engineering BV, IMI Netherlands Holdings BV	Klipperaak 101 (1e etage), 2411 ND Bodegraven
IMI Scotland Limited*,	C/O Brodies LLP Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP
Lakeside Finance Unlimited Company, Lakeside Treasury Unlimited Company	1 Stokes Place, St Stephens Green, Dublin 2, Ireland
Norgren Co Limited, Norgren Manufacturing Co Ltd	Building 3, No. 1885, Duhui Road, Minhang District, Shanghai, China
Valves Holding GmbH, Z & J Technologies GmbH	Bertramsweg 6, 52355 Düren, Germany
Acro Associates LLC	1990 Olivera Rd., Sta. A Concord, CA 94520, United States
Adaptas Solutions China Co, Ltd	No. 1588 Xinhong Road, Qidong City, Nantong, Jiangsu, China
Applied Kilovolts Limited	Woods Way, Goring By Sea, Worthing, West Sussex, BN12 4QY
Bahr Modultechnik Holding GmbH Bahr Modultechnik GmbH	North-South-Str. 10a, 31711 Luhden, Germany
Bimba LLC	25150 S. Governors Hwy, University Park, IL 60484, United States
Bopp & Reuther Valves GmbH	Carl-Reuther Str. 1, 68305 Mannheim, Germany
Brookvale International Insurance Limited	Clarendon House, Church Street, Hamilton, HM11, Bermuda
Buschjost GmbH	Detmolder Strasse 256, 32545 Bad Oeynhausen, Germany
CCI AG	Fabrikstrasse 10, 8370 Simnach, Switzerland
IMI Critical Engineering Brasil Ltda.	Rua Anuar Dequech, 272 – Galpão 06, Iporanga - Sorocaba / SP, Brasil 18087-157Rua
CCI Czech Republic s.r.o.	K Letišti 1804/3, Šlapanice, 62700 Brno, Czech Republic
CCI Flow Control (Shanghai) Co Ltd	Room 108, Unit 15, 159 Tian Zhou Road, Cao He Jing Development Zone, Shanghai, 200233, China
CCI International Limited	Unit A3 Brookside Business Park, Greengate, Middleton, Manchester, M24 1GS, United Kingdom
CCI Valve Technology AB	Industrigatan 7, Box 603, 661 29 Säffle, Sweden
CCI Valve Technology GmbH	Lemböckgasse 63/1, 1230 Wien, Austria
Control Component India Pvt Limited	Ground, 1st & 2nd Floor, Tower 4, SJR i park, Plot # 13 14&15, EPIP Zone Phase 1, Whitefield Road, Bangalore 560066, India
Control Components Inc	22591 Avenida Empresa, Rancho Santa Margarita CA 92688, United States

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CorSolutions LLC	95 Brown Rd, Ithaca, New York, 14850, United States
FAS Medic SA	Route de Bossonnens 2, 1607, Palézieux, Switzerland
Fluid Automation Systems GmbH	Stuttgarter Straße 120, 70736 Fellbach, Germany
Heatmiser UK Ltd	Units 1-5 Hurstwood Court, Mercer Way, Blackburn, England, BB1 2QU
Heatmiser Automatic Control Technology (Beijing) Limited	North Zone, Floor 2, Building 12, 738 Changliu Road, Machikou town, Changping District, Beijing, China
Herion Systemtechnik GmbH	Untere Talstrasse 65, 71263 Weil der Stadt, Germany
IMI Aero-Dynamiek BV	Databankweg 7, 3821 AL Amersfoort, Netherlands
IMI Critical Engineering (APAC) Pte. Ltd	29 International Business Park, ACER Building, Tower A, #04-01, Singapore, 609923, Singapore
IMI Critical Engineering (AUS) Pty Ltd	33 South Corporate Avenue, Rowville Victoria 3178, Australia
IMI Critical Engineering (Shanghai) Company Limited	Building 3, No. 1-5, Lane 800, Yewang Road, Yexie Town, Songjiang District, Shanghai 201609, China
IMI Critical Engineering Korea	14 Dangdong 2-ro, Munsan-eup, Paju-si, Gyeonggi-do, 10816, Republic of Korea
IMI Critical Engr PBM LLC	1070 Sandy Hill Road, Irwin, PA 15642, United States
IMI Critical Engr Z&J LLC	4525 Kennedy Commerce Drive, Houston, TX 77032, United States
IMI Critical FZE	Office No. FZJOA1308, FZJOA1310, FZJOA1307A, Jebel Ali Free Zone, PO BOX 17827, Dubai, United Arab Emirates
IMI Deutschland B.V.*	Versterkerstraat 6, 1322 AP Almere, the Netherlands
IMI Engineering Sdn. Bhd.	K-7-5 & K-7-6, Solaris Kirara, Soho, Jalan Solaris Mont Kiara, 50480 Kuala Lumpur, Malaysia
IMI France SARL	52 Boulevard de Sébastopol, 75003 Paris, France
IMI Holdings LLC	101 Broadway Street West, Suite 204, Osseo, MN 55369, United States
IMI Hydronic Engineering AB	Annelund, SE-524 80, Ljung, Sweden
IMI Hydronic Engineering China	Room 610, Block C the MIXC No.1799 Wuzhong Road, Minghang District, Shanghai 201103, China
IMI Hydronic Engineering France S.A.	13, rue de la Perdrix - Les Flamants 8, 93290 Tremblay-en-France, France
IMI Hydronic Engineering FZE	JAFZA One - Tower A, Office 1310, P.O. Box 262611, Dubai, UAE
IMI Hydronic Engineering GesmbH	Industriestrasse 9, Objekt 5, 2353, Guntramsdorf, Austria
IMI Hydronic Engineering Inc	8908 Governors Row, Dallas, TX 75247, United States
IMI Hydronic Engineering Limited	Hat House Third Floor, 32 Guildford Street, Luton, Bedfordshire, LU1 2NR, United Kingdom
IMI Hydronic Engineering Ltda	Av Fagundes Filho, 134 cj 43, S. Judas, Sao Paulo, 04304-010, Brazil
IMI Hydronic Engineering OY	Robert Huberin tie 7, Vantaa FI-01510, Finland
IMI Hydronic Engineering Pte Ltd	223 Mountbatten Road #03-01, Singapore 398008, Singapore
IMI Hydronic Engineering S.A.	9, rue des 3 Cantons, Windhof, L-8399, Luxembourg
IMI Hydronic Engineering (Spain) SAU	Calle Orduña 3 Planta Baja, 28034 Madrid, Spain

IMI GROUP LIMITED
Notes to the financial statements
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IMI Hydronic Engineering S.R.L.	Via Roma, 108 – Edificio F/2, 20051 Cassina de Pecchi (MI), Italy
IMI Hydronic Engineering Switzerland AG	Mühlerainstrasse 26, 4414 Füllinsdorf, Switzerland
IMI Hydronic Engineering UAB	A.Juozapaviciaus 27-5, Kaunas, LT – 45258, Lithuania
IMI International Co Srl	Str. Aristide Pascal nr.36, Sector 3, Bucuresti, 031445, Romania
IMI International d.o.o.	Alpska cesta 37b, Lesce, 4248, Slovenia
IMI International d.o.o.	Slavonska avenija 17, Zagreb, 10040, Croatia
IMI International d.o.o. Beograd	Milutina Milankovica 1b, Novi Beograd, 11070, Serbia
IMI International Kft.	Kunigunda Útja 60, Budapest, HU-1037, Hungary
IMI International s.r.o.	Central Trade Park D1, c.p.1573, Humpolec, 396 01, Czech Republic
IMI International Sp. z o.o.	Olewin 50 A, PL-32300, Olkusz, Poland
IMI Japan K.K.	7-3-6 Minatojima Minamimachi, Chuo-ku, Kobe, Hyogo 650-0047, Japan
IMI Norgren Herion PVT Limited	B-30A Sector 85, Noida, Uttar Pradesh 201305, India
IMI Norgren Limited	1 Stokes Place, St. Stephen's Green, Dublin 2, D02 DE03
IMI Norgren SA (Sociedad Unipersonal)	Calle Colom, 391, 2 Edif. Tecno, 08223, Terrassa, Spain
IMI Saudi Industry LLC	3826 unit No. 7, Street 122, Second Industrial City, Post 34325-7535, Dammam, Saudi Arabia
IMI Ventures Singapore Pte Ltd	29 International Business Park #04-01 Acer Building Singapore 609923
Industrie Mecanique Pour Les Fluides SA	15 Avenue des Cures, 95580, Andilly, France
Kynoch Sweden Holding AB	c/o IMI Hydronic Engineering AB, 52 480 Ljung, Sweden
Mead Fluid Dynamics, Inc.	4114 North Knox Avenue, Chicago, IL 60641, United States
Newman Hattersley Limited	5063 North Service Road, Suite 100, Burlington, ON, L7L 5H6 Canada
Norgren AG	Fabrikstrasse 10, 8370 Sirmach, Switzerland
Norgren Automation Solutions LLC	2871 Bond Street, Rochester Hills, MI 48309, United States
Norgren BV	Versterkerstraat 6, 1322 AP Almere, Netherlands
Norgren Co Limited	36/8 Room M1 Krungthep Kreetha Rd., Khlong Song Ton Nun Sub-District, Lat Krabang District, Bangkok 10520, Thailand
Norgren Finland OY	Robert Huberin Tie 7, FI-01510 Vantaa, Finland
Norgren Ges.m.b.H	Industriezentrum NÖ Süd, Straße 2a, Objekt M39/1, A-2355, Wiener Neudorf, Austria
Norgren GT Development LLC	425 "C" Street NW, Suite 100, Auburn, WA 98001, United States
Norgren Kloehn LLC	10000 Banbury Cross Drive, Las Vegas, NV 89144, United States
Norgren Limited	6/F Benson Tower, 74 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Norgren Limited	15A Vestey Drive, Auckland, 1060, New Zealand
IMI Webber Limited Norgren Limited	Blenheim Way, Fradley Park, Lichfield, Staffordshire, WS13 8SY, United Kingdom
Norgren Ltda	Av. Eng. Alberto de Zagottis, 696-B, Sao Paulo SP, 04675-085, Brazil
Norgren Manufacturing (Suzhou) Co., Ltd	No. 975, Xinzi Road, Wujiang Economic & Technological

IMI GROUP LIMITED
Notes to the financial statements
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	Development Zone, Jiangsu Province, China
Norgren Manufacturing de Mexico S.A. de C.V.	Avenida de la Montaña # 120, Parque Industrial Querétaro, Santiago De Querétaro, Querétaro, CP 76220, México
Norgren S.A. de C.V.	Avenida de la Montaña # 120, Santa Rosa Jauregui, Santiago De Querétaro, Querétaro, CP 76220, México
Norgren NV	F Walravensstraat 84, B.1651 Lot, Belgium
Norgren Pte. Limited	JTC Space@ Tuas, 16B Tuas Ave 1, #03-40, Singapore 639534
Norgren SAS	1, rue de Lamirault 77090 Collégien, France
Norgren Srl	Building F2, Via Roma 108, Cassina de Pecchi, 20051, Milan, Italy
Norgren Sweden AB	Box 14001, Ventilgatan 6, S-200 24 Malmö, Sweden
Norgren Taiwan Co Limited	3F, No. 540 Sec. 1, Minsheng N. Rd., Guishan Dist., Taoyuan City, 333, Taiwan
Pneumadyne LLC	14425 23rd Ave North, Plymouth, MN 55447, United States
Remosa S.R.L.	Sesta Strada Ovest snc – Loc Macchiareddu, 09010, UTA (CA), Italy
SAIC CCI Valve Co Ltd (44%)*	Block B, 123 Chongming Xiushan Road, Chengqiao Town, Chongming County, Shanghai, 202150 China
Shanghai CCI Power Control Equipment Co Ltd	229C, 2F, No 11, Lane 465, Tengyue Road, Yangpu District, Shanghai 200090, China
STI S.R.L.	Via dei Caravaggi 15, 24040, Levate (BG), Italy
TA Regulator d.o.o.	Orliska Ulica13, Brezice, SI-8250, Slovenia
TH Jansen Armaturen GmbH	Blucherstrasse 47, 66386 Sankt Ingbert, Germany
Thompson Valves Limited	17 Balena Close, Creekmoor, Poole, Dorset, BH17 7EF, United Kingdom
Truflo Rona S.A.	3e avenue, 16, Parc Industrial des Hauts Sarts, 4040 Herstal, Belgium
Truflo Marine Limited	2, Priory Road, Aston, Birmingham, B6 7LG, United Kingdom
Vaccon Company, Inc.	2871 Bond Street, Rochester Hills, MI 48309, United States

IMI GROUP LIMITED
Notes to the financial statements
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11. Debtors

	2022	2021
	£000	£000
Amounts due from group undertakings	3,471	-
Corporation tax	1,422	275
Other debtors	686	858
	<u>5,579</u>	<u>1,133</u>

12. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to parent	-	373,811
Amounts owed to group undertakings	-	1,631,430
Bank overdrafts and borrowings	150,220	134,180
Accruals and deferred income	3,010	2,370
	<u>153,230</u>	<u>2,141,791</u>

Included within bank overdrafts and borrowings is £49,587,000 relating to a term facility agreement which is payable in 2023. The remaining £49,587,000 is payable in 2024 and has been included in note 13.

Amounts owed to parent and group undertakings relate to intercompany loans which have been extended until 31 December 2027 (previous expiry 31 December 2022) and have therefore been reclassified to creditors falling due after more than one year.

IMI GROUP LIMITED
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13. Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
Amounts owed to parent	359,840	-
Amounts owed to group undertakings	1,729,170	-
Bank borrowings	49,587	88,889
Unsecured loan notes	545,820	341,425
	2,684,417	430,314

Amounts owed to parent and group undertakings relate to intercompany loans which have been extended until 31 December 2027 (previous expiry 31 December 2022) and have therefore been reclassified to creditors falling due after more than one year. All loans are at arm's length terms and bear interest at the relevant risk-free rate plus an appropriate margin.

Analysis of unsecured loan notes and bank borrowings

The contractual terms of the Company's interest-bearing loans and borrowings are as follows.

	2022	2021
	£000	£000
Term facility agreement (2024) - floating, USD 120m	49,587	88,889
Unsecured US loan notes (2025) - fixed at 1.39%, EUR 150m	132,743	126,050
Unsecured US loan notes (2026) - fixed at 3.86%, USD 125m	103,306	92,593
Unsecured US loan notes (2027) - fixed at 3.92%, USD 75m	61,983	55,555
Unsecured US loan notes (2028) - fixed at 1.53%, EUR 80m	70,796	67,227
Unsecured US loan notes (2029) - fixed at 3.30%, EUR 100m	88,496	-
Unsecured US loan notes (2030) - fixed at 3.40%, EUR 100m	88,496	-
	595,407	430,314

Terms and debt repayment schedule

	2022	2021
	£000	£000
Debt can be analysed as falling due:		
In one year or less, or on demand	-	-
Between one and two years	49,587	-
Between two and three years	132,743	44,445
Between three and four years	103,306	44,444
Between four and five years	61,983	126,050
In five years or more	247,788	215,375
	595,407	430,314

14. Share capital

	2022	2021	2022	2021
	Number	Number	£000	£000
Authorised, allotted, called up and fully paid:				
Ordinary shares of £1 each	50,000,000	50,000,000	50,000	50,000

IMI GROUP LIMITED
Notes to the financial statements
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15. Derivative financial instruments

The Company enters into forward foreign currency contracts to hedge currency exposure on firm future receipts and payments and currency assets and liabilities.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs, predominantly the foreign exchange rates at the balance sheet date. The fair value of these derivatives at 31 December 2022 was a liability of £3,911,000 (2021: asset of £4,912,000). Movements in the fair value of the forward currency contracts are recognised in the income statement.

16. Contingent liabilities

The Company has overdraft facilities which form part of a banking arrangement between 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 others' overdraft borrowings from time to time. The Company's maximum liability is limited to the extent of its current account cash balances with its principal banking providers which at 31 December 2022 amounted to £nil (2021: £nil).

The Company also acts as guarantor for derivative contracts entered into by IMI Kynoch Limited with various financial institutions. The fair value of the Company's commitment in respect of this guarantee as at 31 December 2022 was £5,749,027 (2021: £1,279,229).

In addition, the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the IMI group. The Company treats the guarantee contract as a contingent liability until such time that it becomes probable that the Company will be required to make a payment under the guarantee. Contingent liabilities relating to these guarantees in the normal course of business amounted to £63,853,066 (2021: £69,372,169).

17. 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.

18. Ultimate and immediate parent company

The Company's ultimate and immediate parent company is IMI plc, a company incorporated in England and Wales. IMI plc's effective interest in the Company is 100% and it is therefore the controlling party.

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
IMI plc
Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham B37 7XZ

Or at www.imiplc.com

19. Events after the end of the reporting period

On 1 February 2023, the Company renewed its £50m multicurrency Revolving Credit Facility (RCF) with Bank of America Europe Designated Activity Company (BAML). The agreement has an original maturity date of 1 February 2026 with the option to extend the agreement for a further two years.