

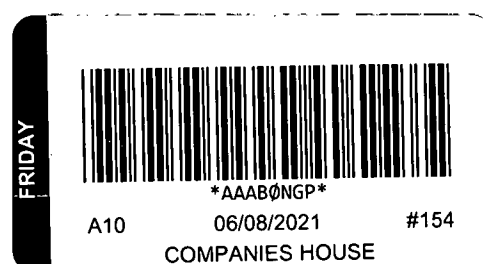
Registered No. 07272731

IMI Sweden Finance Limited

Strategic Report, Directors' Report and financial statements

For the year ended 31 December 2020

(Registered in England and Wales - number 07272731)



IMI SWEDEN FINANCE LIMITED
Strategic Report, Directors' Report and financial statements
for the year ended 31 December 2020
Registered No. 07272731

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IMI SWEDEN FINANCE LIMITED
Registered No. 07272731
Strategic Report
for the year ended 31 December 2020

The directors of IMI Sweden Finance Limited (the 'Company') submit their Strategic Report for the year ended 31 December 2020.

1. Principal activities

The Company is a wholly owned subsidiary of IMI Overseas Investments Limited. The Company acts as a finance company for the IMI Group's Swedish subsidiaries.

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.

2. Business review

The Company recorded a profit after tax of SEK 6,507,000 for the year (2019: SEK 12,653,000).

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

3. Future developments

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

4. Principal risks and uncertainties

The Company participates in the Group's centralised treasury function and so shares funding arrangements with fellow Group undertakings.

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

Although the Company takes steps to manage its own financial risks, overall risks are managed at a Group level including the impact of the COVID-19 pandemic. For this reason, the Company's directors believe that a discussion of the Company's risks would not be relevant for an understanding of the development, performance or position of the Company's business.

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

By order of the Board



A Edwards
Director
30 April 2021

IMI SWEDEN FINANCE LIMITED
Registered No. 07272731
Directors' Report
for the year ended 31 December 2020

The directors of IMI Sweden Finance Limited (the 'Company') submit their Directors' Report together with the financial statements for the year ended 31 December 2020.

1. Profits and dividends

The results for the financial year are shown in the financial statements. The Company did not pay a dividend during the year (2019: nil). The directors have not recommended a final dividend for the year (2019: nil).

2. Directors

The directors who held office during the year and since 31 December 2020 were as follows:

A Edwards
J O'Shea
J Rundle (appointed 22 January 2020)
P R Mason (resigned 22 January 2020)

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

3. Going concern

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

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. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements, subject to the Company remaining a subsidiary of the IMI plc Group. This support has been confirmed in writing to the directors and the directors believe it is therefore appropriate to prepare financial statements on a going concern basis.

The above assessment and subsequent adoption of the going concern basis includes consideration of the impact of the COVID-19 pandemic.

4. Disclosure requirements

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

By order of the Board



A Edwards
Director
30 April 2021

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *'Reduced Disclosure Framework'* ('FRS 101').

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

IMI SWEDEN FINANCE LIMITED
Income statement and statement of comprehensive income
for the year ended 31 December 2020

Income statement

	Notes	2020 SEK '000	2019 SEK '000
Interest receivable and similar income	4	8,162	16,251
Interest payable and similar costs	5	(137)	(358)
Admin expenses		94	(272)
Profit on ordinary activities before taxation		8,119	15,621
Income tax charge	6	(1,612)	(2,968)
Profit for the financial year		6,507	12,653

Statement of comprehensive income

	2020 SEK '000	2019 SEK '000
Profit for the financial year	6,507	12,653
Total comprehensive income for the year	6,507	12,653

All activities relate to continuing operations.

IMI SWEDEN FINANCE LIMITED
Balance sheet
as at 31 December 2020

	Notes	2020 SEK '000	2019 SEK '000
<i>Current assets</i>			
Debtors	7	<u>561,808</u>	<u>796,259</u>
		<u>561,808</u>	<u>796,259</u>
Creditors: amounts falling due within one year	8	<u>(1,612)</u>	<u>(242,570)</u>
		<u>(1,612)</u>	<u>(242,570)</u>
Net assets		<u>560,196</u>	<u>553,689</u>
<i>Capital and reserves</i>			
Called up share capital	9	300,000	300,000
Share premium account		100,000	100,000
Profit and loss account		<u>160,196</u>	<u>153,689</u>
Total equity		<u>560,196</u>	<u>553,689</u>

For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the 'Act') relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were authorised for issue by the board of directors on 30 April 2021 and were signed on its behalf by:



A Edwards
Director

IMI SWEDEN FINANCE LIMITED
Statement of changes in equity
for the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	SEK '000	SEK '000	SEK '000	SEK '000
At 1 January 2019	300,000	100,000	141,036	541,036
Profit for the financial year		-	12,653	12,653
Total comprehensive income for the year	-	-	12,653	12,653
At 31 December 2019	300,000	100,000	153,689	553,689
Profit for the financial year	-	-	6,507	6,507
Total comprehensive income for the year	-	-	6,507	6,507
At 31 December 2020	<u>300,000</u>	<u>100,000</u>	<u>160,196</u>	<u>560,196</u>

IMI SWEDEN FINANCE LIMITED
Notes to the financial statements
for the year ended 31 December 2020

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

The financial statements of IMI Sweden Finance Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on 30 April 2021 and the balance sheet was signed on the Board's behalf by A Edwards. The Company is incorporated and domiciled in England and Wales.

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

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

The financial statements are prepared in Swedish krona and are rounded to the nearest thousand Swedish krona (SEK '000).

2. Accounting policies**Basis of preparation**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020.

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

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

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management do not consider that there are any significant judgements which are applicable to the preparation of this set of financial statements.

Functional currency

The Company's primary source of income is derived from loans made in Swedish Krona ('SEK') to Swedish subsidiaries of the IMI group of companies. All interest received from these loans is in SEK. The Company's share capital was issued in SEK reflecting the Company's Swedish activities. For these reasons the Company's primary economic environment in which it operates is Sweden and the Company's functional currency is SEK.

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.

IMI SWEDEN FINANCE LIMITED
Notes to the financial statements
for the year ended 31 December 2020

2. Accounting policies (continued)

(b) Taxation

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

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

(c) 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.

(d) Going concern

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

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. This finance and support is available for a period of at least twelve months after the date of approval of these financial statements, subject to the Company remaining a subsidiary of the IMI plc Group. This support has been confirmed in writing to the directors and the directors believe it is therefore appropriate to prepare financial statements on a going concern basis.

The above assessment and subsequent adoption of the going concern basis includes consideration of the impact of the COVID-19 pandemic.

3. Directors' remuneration and staff costs

The directors are remunerated by another IMI Group company, IMI Kynoch Limited. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 2020 or the year ended 2019.

4. Interest receivable and similar income

	2020 SEK '000	2019 SEK '000
Interest receivable from group undertakings	<u>8,162</u>	<u>16,251</u>

5. Interest payable

	2020 SEK '000	2019 SEK '000
Interest payable to group undertakings	<u>137</u>	<u>358</u>

IMI SWEDEN FINANCE LIMITED
Notes to the financial statements
for the year ended 31 December 2020

6. Taxation

(a) Tax charged in the income statement

	2020 SEK '000	2019 SEK '000
<i>Current income tax:</i>		
UK Corporation tax	1,560	2,968
Adjustments in respect of prior years	52	-
Total current tax charge	<u>1,612</u>	<u>2,968</u>

(b) Reconciliation of the total tax credit

The tax charge in the income statement for the year is different to the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are reconciled below:

	2020 SEK '000	2019 SEK '000
Profit on ordinary activities before tax	<u>8,119</u>	<u>15,621</u>
Tax calculated at UK standard rate of corporation tax of 19.00% (2019: 19.00%)	1,543	2,968
Expenses not deductible for tax purposes	17	-
Adjustment in respect of prior years	52	-
Total tax expense reported in the income statement	<u>1,612</u>	<u>2,968</u>

(c) Change in corporation tax rate

The rate of corporation tax in the UK for the 2020 calendar year was 19.0% (2019: 19.0%). In the Spring Budget of 2020, the UK Government announced that from 1 April 2020 the UK corporation tax rate would remain at 19%, rather than reducing to a rate of 17%, as had been previously substantively enacted. This new law was substantively enacted on 17 March 2020. UK deferred tax assets and liabilities have therefore been calculated using a rate of 19% (2019: 17%).

In the March 2021 budget, it was announced that the rate of UK corporation tax is to increase from 19% to 25% from 1 April 2023. This announcement occurred post the balance sheet date and is not substantively enacted. It is not therefore reflected in these accounts.

7. Debtors

	2020 SEK '000	2019 SEK '000
Amounts owed by group undertakings	<u>561,808</u>	<u>796,259</u>

Amounts owed by group undertakings are established at arm's length terms and bear interest at the relevant STIBOR plus an appropriate margin. Following a review of the historical collection of the amounts owed from group undertakings it has been concluded that no provision is required to reflect the requirements of the economic credit loss model pursuant to IFRS 9.

8. Creditors: amounts falling due within one year

	2020 SEK '000	2019 SEK '000
Amounts owed to group undertakings	-	239,602
Corporation tax	<u>1,612</u>	<u>2,968</u>
	<u>1,612</u>	<u>242,570</u>

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

IMI SWEDEN FINANCE LIMITED
Notes to the financial statements
for the year ended 31 December 2020

9. Share capital

	2020	2019	2020	2019
	Number	Number	SEK '000	SEK '000
Authorised, allotted, called up and fully paid:				
Ordinary shares of SEK 0.75 each	400,000,000	400,000,000	300,000	300,000

10. 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.

11. Ultimate and immediate parent company

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

The results of the Company are consolidated into the group accounts of IMI plc. The consolidated accounts of IMI plc are available to the public and may be obtained from:

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

Or at www.imiplc.com