

Registered No. 08528502

IMI Fluid Controls (Finance) Limited

Strategic Report, Directors' Report and financial statements

For the year ended 31 December 2015

(Registered in England and Wales - number 08528502)

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IMI FLUID CONTROLS (FINANCE) LIMITED
Strategic Report, Directors' Report and financial statements
for the year ended 31 December 2015

Registered No. 08528502

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IMI FLUID CONTROLS (FINANCE) LIMITED
Registered No. 08528502
Strategic Report
for the year ended 31 December 2015

The directors of IMI Fluid Controls (Finance) Limited (the 'Company') submit their Strategic Report for the year ended 31 December 2015.

1. Principal activities

The Company is a wholly owned subsidiary of IMI Fluid Controls Holding Inc. The principal activity of the Company is to act as a holding company for subsidiaries of the IMI plc Group.

The Company has no employees. The activities of the Company are performed by employees of fellow 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

During the year the Company transitioned from UK GAAP to FRS 101 '*Reduced Disclosure Framework*' and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, IMI Fluid Controls Holding Inc, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no recognition or measurement differences arising on the adoption of FRS 101.

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

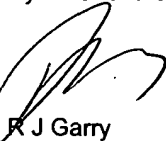
The Company pays interest on a variable rate loan to a fellow group undertaking.

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. 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, which do not form part of this report.

By order of the Board



R J Garry
Director
28 April 2016

IMI FLUID CONTROLS (FINANCE) LIMITED
Registered No. 08528502
Directors' Report
for the year ended 31 December 2015

The directors of IMI Fluid Controls (Finance) Limited (the 'Company') submit their Directors' Report together with the audited financial statements for the year ended 31 December 2015.

1. Profits and dividends

The results for the financial year are shown in the financial statements. The company did not pay an interim dividend during the year (2014: \$38,214,000).

2. Directors

The directors who held office during the year and since 31 December 2015 were as follows:

H L Afford (resigned 30 March 2015)
R J Garry
I D Moore (resigned 17 April 2015)
K Pawar (appointed 30 March 2015)
I E Ronald (appointed 17 April 2015)

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.

4. Going concern

The Company participates in the Group's centralised treasury arrangements and so shares funding arrangements with its parent and 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.

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 operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

5. Auditors

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

6. 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


R J Garry
Director
28 April 2016

IMI FLUID CONTROLS (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; and
- make judgments and accounting estimates that are reasonable and prudent; and
- 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; and
- 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.

Independent auditor's report to the member of IMI Fluid Controls (Finance) Limited

We have audited the financial statements of IMI Fluid Controls (Finance) Limited for the year ended 31 December 2015 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 14. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the member of IMI Fluid Controls (Finance) Limited (continued)

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

Andy Williams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
28 April 2016

IMI FLUID CONTROLS (FINANCE) LIMITED
Income statement and statement of comprehensive income
for the year ended 31 December 2015

Income statement

	Notes	2015 USD '000	2014 USD '000
Income from shares in group undertakings	5	20,296	58,465
Interest payable and similar costs	6	(20,296)	(20,252)
Profit on ordinary activities before taxation		<u>-</u>	<u>38,213</u>
Income tax charge	7	-	-
Profit for the financial year		<u><u>-</u></u>	<u><u>38,213</u></u>

Statement of comprehensive income

	2015 USD '000	2014 USD '000
Profit for the financial year	<u>-</u>	<u>38,213</u>
Total comprehensive income for the year	<u><u>-</u></u>	<u><u>38,213</u></u>

All activities relate to continuing operations.

IMI FLUID CONTROLS (FINANCE) LIMITED**Balance sheet****as at 31 December 2015**

	Notes	<u>2015</u> USD '000	<u>2014</u> USD '000
Fixed assets			
Investments	9	633,098	633,098
Total assets		<u>633,098</u>	<u>633,098</u>
Creditors: Amounts falling due after one year	10	(377,000)	(377,000)
Net assets		<u>256,098</u>	<u>256,098</u>
Capital and reserves			
Called up share capital	11	256,098	256,098
Profit and loss account	12	-	-
Shareholder's funds		<u>256,098</u>	<u>256,098</u>

These financial statements were authorised for issue by the board of directors on 28 April 2016 and were signed on its behalf by:



R J Garry
Director

IMI FLUID CONTROLS (FINANCE) LIMITED
Statement of changes in equity
for the year ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	USD '000	USD '000	USD '000
At 1 January 2014	256,098	1	256,099
Profit for the financial year	-	38,213	38,213
Total comprehensive income for the year	-	38,213	38,213
Equity dividends paid	-	(38,214)	(38,214)
At 31 December 2014	256,098	-	256,098
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2015	256,098	-	256,098

IMI FLUID CONTROLS (FINANCE) LIMITED

Notes to the financial statements

for the year ended 31 December 2015

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

The financial statements of IMI Fluid Controls (Finance) Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 28 April 2016 and the balance sheet was signed on the Board's behalf by R J Garry. 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 accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015. The financial statements are prepared in euros and are rounded to the nearest thousand dollars (USD '000).

2. Accounting policies

Basis of preparation

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. There were no recognition or measurement differences arising on the adoption of FRS 101. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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.

Functional currency

The Company is owned by a US holding company with its parent company being IMI Fluid Controls Holdings Inc, a US dollar denominated holding company. The Company's share capital was also issued in US dollars. The functional currency of the Company is therefore the US dollar, which is also the currency the accounts are presented in.

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) Income from shares in group undertakings

Income from shares in group undertakings is recognised when the Company's right to receive payment is established.

(b) Interest expense

Interest expense is recognised as interest accrues using the effective interest rate method.

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the year ended 31 December 2015

2. Accounting policies (continued)

(c) Investments

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

(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) Going concern

The Company participates in the Group's centralised treasury arrangements and so shares funding arrangements with its parent and 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.

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 operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Auditor's remuneration

No amount in respect of auditor's remuneration has been included in arriving at the Company's result for the year as this cost has been borne by another IMI Group company.

4. Directors' remuneration and staff costs

The directors are remunerated by another IMI Group company. 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 2015 or the year ended 2014.

5. Income from shares in group undertakings

Income from shares in group undertakings for the year ended 31 December 2015 resulted from dividends paid by the Company's subsidiaries of \$20,296,000 (2014: \$58,465,000).

6. Interest payable and similar costs

	2015 USD '000	2014 USD '000
Interest payable to group undertakings	20,296	20,252
	<u>20,296</u>	<u>20,252</u>

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the year ended 31 December 2015

7. Taxation

(a) Tax charged in the income statement

	2015 USD '000	2014 USD '000
<i>Current income tax:</i>		
UK Corporation tax	-	-
Total current tax charge	-	-

(b) Reconciliation of the total tax charge

The tax charge (2014: credit) in the income statement for the year is different to the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are reconciled below:

	2015 USD '000	2014 USD '000
Profit on ordinary activities before taxation	-	38,213
Tax calculated at UK standard rate of corporation tax of 20.25% (2014: 21.5%)	-	8,216
Expenses not deductible for tax purposes	1,100	1,164
Non-taxable income	(4,110)	(12,570)
Losses surrendered for no payment	3,010	3,190
Total tax charge	-	-

(c) Change in corporation tax rate

It was announced in the Budget of 8 July 2015 that the UK corporation tax rate will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015. Further changes to the rate of UK corporation tax were proposed in the budget of 16 March 2016 to further reduce the rate from 1 April 2020 to 17%. As these changes were proposed subsequent to the balance sheet date and have not yet been substantively enacted, they are not reflected in these financial statements.

8. Dividends paid and proposed

	2015 USD '000	2014 USD '000
Equity dividends on ordinary shares declared and paid during the year:		
Interim dividend	-	38,214
	-	38,214

9. Fixed asset investments

	Shares in group undertakings USD '000
Cost and net book value	
At 1 January 2015 and 31 December 2015	633,098

The company holds an investment in 74.93% of ordinary shares in IMI Americas Inc, a company incorporated in the USA. The principal activities of the company are to act as a holding company for subsidiaries of the IMI plc Group.

10. Creditors: amounts falling due after one year

	2015 USD '000	2014 USD '000
Amounts due to group undertakings	377,000	377,000
	377,000	377,000

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the year ended 31 December 2015

11. Share capital

	2015	2014	2015	2014
	Number	Number	USD '000	USD '000
Authorised, allotted, called up and fully paid:				
Ordinary shares of \$1 each	256,098,151	256,098,151	256,098	256,098

12. Reserves

	Profit & loss account
	USD '000
Balance as at 1 January 2015	-
Profit for the year	-
Balance as at 31 December 2015	-

13. 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.

14. Ultimate parent company

The Company's immediate parent company is IMI Fluid Controls Holding Inc, a company incorporated in the USA. 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