

Registered No. 8528502

IMI Fluid Controls (Finance) Limited

Strategic Report, Directors' Report and financial statements

For the period 14 May 2013 to 31 December 2013

(Registered in England - number 8528502)

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IMI FLUID CONTROLS (FINANCE) LIMITED
Strategic Report, Directors' Report and financial statements
for the period 14 May 2013 to 31 December 2013

Registered No. 8528502

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IMI FLUID CONTROLS (FINANCE) LIMITED
Registered No. 8528502
Strategic Report
for the period 14 May 2013 to 31 December 2013

The directors submit their Strategic Report for the period ended 31 December 2013.

Period of accounts

This report and financial statements are the first since incorporation on 14 May 2013. They cover the period 14 May 2013 to 31 December 2013. The company's accounting reference date is 31 December 2013 and future financial statements will be drawn up to this date. There is no comparative period to this first set of financial statements.

Principal activities and review of the business

The company was incorporated on 14 May 2013. The company's principal activities are to operate as a holding company for subsidiaries of the Fluid Controls division of the IMI plc group.

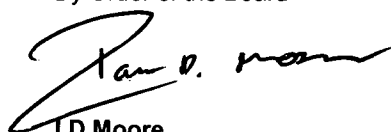
The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year.

IMI plc manages its operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

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.

By Order of the Board



I D Moore
Director

2 June 2014

IMI FLUID CONTROLS (FINANCE) LIMITED
Registered No. 8528502
Directors' Report
for the period 14 May 2013 to 31 December 2013

The directors of IMI Fluid Controls (Finance) Limited ("Company") submit their report together with the financial statements for the period 14 May 2013 to 31 December 2013.

Result for the period and Dividends

The profit and loss account for the period 14 May 2013 to 31 December 2013 is shown on page 6. The profit for the period 14 May 2013 to 31 December 2013, after taxation, amounts to US\$1,000. The Company did not pay a dividend during the period.

Directors

The directors who held office during the period and since 31 December 2013 were as follows:

G J Croydon (appointed 14 May 2013, resigned 30 April 2014)
R J Garry (appointed 14 May 2013)
I D Moore (appointed 14 May 2013)

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

Going Concern

The Company participates in the group's centralised treasury function and so shares funding arrangements with its parent and fellow subsidiaries. Having assessed the responses of the directors of IMI plc, the Company's ultimate parent, to their enquiries, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of IMI plc 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.

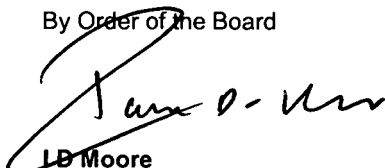
Disclosure of information to auditors

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 ought to 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.

Auditors

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

By Order of the Board



I D Moore
Director

2 June 2014

IMI FLUID CONTROLS (FINANCE) LIMITED**Statement of Directors' Responsibility 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 law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 period ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds, and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's 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 auditors

As explained more fully in the Statement of the 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Directors' 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 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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.



Helen McLeod-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

2 June 2014

IMI FLUID CONTROLS (FINANCE) LIMITED
Profit and loss account
for the period 14 May 2013 to 31 December 2013

	Notes	2013 USD '000
Income from shares in group undertaking	4	12,057
Interest payable	3	(12,056)
Profit on ordinary activities before taxation	2	<u>1</u>
Taxation on profit on ordinary activities	5	-
Profit on ordinary activities after taxation		<u>1</u>
being profit for the financial period		<u><u>1</u></u>

There are no material differences between the profit before taxation and the profit for the current period shown in the profit and loss accounts and their historical cost equivalents.

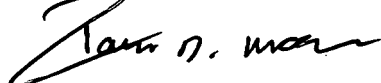
There were no recognised gains or losses in the period other than the profit for the financial period.

All profits and losses on ordinary activities before taxation for the current period arise from continuing operations.

IMI FLUID CONTROLS (FINANCE) LIMITED**Balance sheet****as at 31 December 2013**

	Notes	2013	
		USD '000	USD '000
Fixed assets			
Investments	7		633,098
Current assets			
Cash at bank and in hand		1	
Net current assets			1
Total assets			<u>633,099</u>
Creditors:			
Amounts falling due after one year	6		(377,000)
Net assets			<u><u>256,099</u></u>
Financed by:			
Capital and reserves			
Called up share capital	8		256,098
Profit and loss account	9		1
Equity shareholder's funds			<u><u>256,099</u></u>

These financial statements were approved by the board of directors on 2 June 2014 and were signed on its behalf by:



I D Moore
Director

IMI FLUID CONTROLS (FINANCE) LIMITED
Reconciliation of movements in shareholder's funds
as at 31 December 2013

	2013 USD '000
Profit for the financial period	<u>1</u>
Net addition to shareholder's funds	1
Shareholder's funds on incorporation	256,098
Closing shareholder's funds	<u><u>256,099</u></u>

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the period 14 May 2013 to 31 December 2013

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with applicable UK accounting standards.

Related Parties

As the Company is a wholly owned subsidiary of IMI plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of IMI plc, within which the Company is included, can be obtained from the address given in Note 11.

Cash Flow Statement

The Company is exempt from the requirements of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of IMI plc and its cash flows are included within the consolidated cash flow statement of that company.

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. For these reasons, the primary economic environment in which the Company operates is the US dollar. The functional currency of the company is therefore the US dollar, which is also the currency the accounts are presented in.

Interest payable

Interest payable recognised is accrued using the effective interest method.

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.

Taxation

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

Going Concern

The Company participates in the group's centralised treasury function and so shares funding arrangements with its parent and fellow subsidiaries. Having assessed the responses of the directors of IMI plc, the Company's ultimate parent, to their enquiries, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of IMI plc 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.

2. Auditor's remuneration

The remuneration of the auditor for the period ending 31 December 2013 was borne by a fellow subsidiary of the IMI plc group.

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the period 14 May 2013 to 31 December 2013

3. Interest payable

2013
USD '000

Interest payable to group undertakings 12,056

4. Income from shares in group undertakings

2013
USD '000

Income from shares in group undertakings 12,057

During the period the company received dividends totalling US\$12,057,000 from IMI Americas Inc.

5. Taxation

(a) Tax on profit on ordinary activities

2013
USD '000

Current tax

UK Corporation tax at 23.25%

Total current tax

-

-

Tax on profit on ordinary activities

-

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 23.25%.

2013
USD '000

Profit on ordinary activities before tax 1

Profit on ordinary activities multiplied by standard rate of
corporation tax in the UK of 23.25%

-

Effects of:

Expenses not deductible for tax purposes

751

Dividend income not taxable

(2,803)

Losses surrendered for no payment

2,052

Total current tax

-

(c) Factors that may affect future charges

The Finance Act 2012 enacted further reductions in the UK corporation tax rate from 24% to 23% from 1 April 2013. Additional changes to the main rate of UK corporation tax were enacted in the Finance Act 2013, to reduce the rate to 21% by 1 April 2014 and to 20% from 1 April 2015. These changes were substantively enacted in July 2013. Accordingly, the average weighted rate of corporation tax in the UK for the 2013 calendar year was 23.25%.

6. Creditors: amounts falling due after one year

2013
USD '000

Amounts due to group undertakings 377,000

377,000

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

IMI FLUID CONTROLS (FINANCE) LIMITED
Notes to the financial statements
for the period 14 May 2013 to 31 December 2013

7. Investments

	Shares in participating interests USD '000
Cost	
Additions	<u>633,098</u>
At 31 December 2013	<u><u>633,098</u></u>

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 of subsidiaries in the Fluid Controls division of the IMI plc group.

8. Share Capital

	2013 USD
Authorised, issued, allotted, called up and fully paid 256,098,151 ordinary shares of USD 1 each	<u><u>256,098,151</u></u>

All allotted shares were issued in the period.

9. Reserves

	Profit and loss account USD '000
On incorporation	-
Profit on ordinary activities after tax	<u>1</u>
Balance at end of year	<u><u>1</u></u>

10. Directors' emoluments and staff costs

The directors of the Company are remunerated by other Group companies. The directors consider that the level of their qualifying services provided to this Company are inconsequential. There were no employees during the period.

11. Ultimate parent company

The immediate parent company is IMI Fluid Controls Holdings Inc which is incorporated in the USA and the ultimate parent company is IMI plc which is incorporated in England and Wales. A copy of the group financial statements of IMI plc can be obtained from:

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

Or at www.imiplc.com