

FC-25009.

MM

003712 130

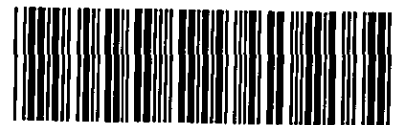
Lakeside Finance

Directors' report and
financial statements

Year ended 31 December 2009

Registered number 281572

THURSDAY
SI



A0Z00NUE		
A29	30/09/2010	126
COMPANIES HOUSE		
A0Z00NUE		
A12	11/09/2010	40
COMPANIES HOUSE		

Q 16

Lakeside Finance

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5 - 6
Statement of accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes forming part of the financial statements	11 - 14

Lakeside Finance

Directors and other information

Directors

Gregory Croydon (U K)
Joanne Morgan (U K) (resigned as director
5 March 2009)
Helen Afford (U K) (appointed director 28 April 2009)

Registered office

1 Stokes Place
St Stephen's Green
Dublin 2

Secretary

Helen Afford

Principal Banker

Lloyds TSB Bank plc
Colmore Row
Birmingham
B3 2DS

Auditors

Ernst & Young
Annaville House
Waterford
Ireland

Lakeside Finance

Directors' report

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 2009

Principal activities, business review and future developments

The company is principally a finance company of IMI plc. The directors expect the principal activities of the company to remain the same for the foreseeable future. The directors consider the results for the year to be satisfactory.

Results and dividends

The results for the year are set out on page 9. The directors have not declared a dividend for the year.

Directors and secretary and directors' interests

The directors and secretary who held office at 31 December 2009 had no interests other than those shown below, in the share capital, debentures or loan stock of the company or any group company.

Director Number of options over ordinary shares of 25p each in IMI plc.

	31/12/08	Granted	Exercised	Lapsed	31/12/09
Helen Afford	4,000	-	4,000	-	-

Number of ordinary shares of 25p each in IMI plc granted under an IMI Savings Related Share Option Scheme

	31/12/08	Granted	Grant Price GBP	Exercised	Lapsed	31/12/09	Exercise price GBP	Date of exercise
Greg Croydon	2,299	4,544	2.01	-	1,785	5,058	3.80/2.01	Current/01.08.12
Joanne Morgan	249	4,544	2.01	-	249	4,544	2.01	01.08.12
Helen Afford	2,227	4,544	2.01	756	1,471	4,544	2.01	01.08.12

Number of options over ordinary shares of 25p each in IMI plc granted under the IMI Savings Related Share Option Scheme

	31/12/08	Granted	Grant Price GBP	Exercised	Lapsed	31/12/09	Exercise price GBP	Date of exercise
Greg Croydon	-	30,000	4.4093	-	-	30,000	4.4093	03.09.12-03.09.19
Joanne Morgan	-	25,000	4.4093	-	-	25,000	4.4093	03.09.12-03.09.19
Helen Afford	-	10,000	4.4093	-	-	10,000	4.4093	03.09.12-03.09.19

Lakeside Finance

Directors' report *(continued)*

Number of options over ordinary shares of 25p each in IMI plc granted under a Performance Share Plan

	31/12/08	Granted	Price GBP	Exercised	Lapsed	31/12/09	Exercise price GBP	Date of exercise
Greg Croydon	19,700	-	-	4,206	1,794	13,700	4 65-5 85	04 04 11- 04 04 18
Joanne Morgan	6,150	-	-	911	389	4,850	4 65-5 85	04 04 11- 04 04 18
Helen Afford	3,950			701	299	2,950	4 65-5 85	04 04 11- 04 04 18

Number of ordinary shares of 25p each held in IMI plc. 31/12/09 31/12/08

Greg Croydon	63,054	52,998
Joanne Morgan	1,804	2,916
Helen Afford	1,310	333

Accounting records


The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by employing a service provider with appropriate expertise and by providing adequate resources to the financial function. The books of account of the company are maintained at Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ, United Kingdom.

Auditors

In accordance with Section 160(2) of the Companies Act, 1963, the auditors Ernst & Young, Chartered Accountants will continue in office.

On behalf of the board

Gregory Croydon
Director


Helen Afford
Director

9 July 2010

Lakeside Finance

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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 Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009.

On behalf of the board

Gregory Croydon
Director


Helen Afford
Director

9 July 2010

Independent Auditors' Report to the Members of Lakeside Finance

We have audited the company's financial statements of Lakeside Finance for the year ended 31 December 2009, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to whether proper books of account have been kept by the company, whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company, and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

**Independent Auditors' Report to the Members of
Lakeside Finance (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 December 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion, the balance sheet does not disclose a financial situation which under section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.



Ernst & Young,
Chartered Accountants and Registered Auditors,
Annville House,
Newtown,
Waterford,
Ireland

13 July 2010

Lakeside Finance

Statement of 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 in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland

The directors have availed of the exemption available to companies under Financial Reporting Standard 2, "Accounting for Subsidiary Undertakings", as its ultimate parent undertaking, IMI plc prepares consolidated financial statements into which Lakeside Finance is consolidated

The directors have decided to avail of the exemption available to subsidiary undertakings under Financial Reporting Standard 1 (Revised), "Cash Flow Statements", and accordingly have not prepared a cash flow statement

The financial statements are for the year ending 31 December 2009 The comparative information is for the 15 month period ending 31 December 2008

Foreign currency

The financial statements are expressed in US Dollars, (US\$) Monetary assets and liabilities denominated in foreign currencies are translated into US\$ using the exchange rates prevailing at the balance sheet date or at exchange rates under forward currency contracts where such contracts exist for the relevant monetary assets and liabilities

Transactions denominated in foreign currencies are recorded in US\$ at the exchange rates ruling at the date of the transactions Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Monetary assets are monies held and amounts to be received in cash All other assets are non-monetary assets

The most important foreign currency for the company is the Pound Sterling and the relevant rates of exchange were

	Average		As at December 31	
	2009	15 Mth to Dec 2008	2009	2008
US Dollar / Pound Sterling	1 57	1 89	1 61	1 44

Income

Income, which comprises interest on loans advanced, is taken to revenue on an accruals basis gross of any related withholding tax.

Financial fixed assets

Financial fixed assets are carried at cost less any provision for impairment in value.

Lakeside Finance

Statement of accounting policies *(continued)*

Taxation

Corporation tax is provided on taxable profits at the current rate

In accordance with FRS 19, "Deferred Tax", except where otherwise required by other accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Provision is made at the rates of taxation expected to prevail at the time of reversal.

A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the directors.

Lakeside Finance

Profit and loss account for the year ended 31 December 2009


		Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
	<i>Note</i>		
Operating income - continuing activities	1	39,507,347	83,292,510
Operating expenses	2	(16,520)	(17,445)
		<hr/>	<hr/>
Profit on ordinary activities before tax		39,490,827	83,275,065
Tax on profit on ordinary activities	5	(11,962,220)	(22,182,316)
		<hr/>	<hr/>
Retained profit for the year/period		27,528,607	61,092,749
Profit and loss account at beginning of year/period		330,942,787	269,850,038
		<hr/>	<hr/>
Profit and loss account at end of year/period		358,471,394	330,942,787
		<hr/>	<hr/>

The company had no recognised gains or losses in the year other than those set out in the profit and loss account and, accordingly, a statement of total recognised gains and losses is not presented.

All operations are continuing

On behalf of the board

Gregory Croydon
Director


Helen Afford
Director

9 July 2010

Lakeside Finance

Balance Sheet

As at 31 December 2009

	Note	31 December 2009 US\$	31 December 2008 US\$
Fixed assets			
Loans and advances	6	752,000,000	752,000,000
Current assets			
Loans and advances	6	419,152,137	379,070,189
Debtors	7	166,891	695,196
Amount owed by group undertakings		301,544	314,886
Bank and cash		2,857	2,951
		<u>419,623,429</u>	<u>380,083,222</u>
Creditors: amounts falling due within one year	8	<u>(12,148,033)</u>	<u>(136,433)</u>
Net current assets		<u>407,475,396</u>	<u>379,946,789</u>
Net assets		<u>1,159,475,396</u>	<u>1,131,946,789</u>
Capital and reserves			
Called up share capital	9	801,004,002	801,004,002
Profit and loss account		358,471,394	330,942,787
Shareholders' funds - equity	10	<u>1,159,475,396</u>	<u>1,131,946,789</u>

On behalf of the board

Gregory Croydon
Director



Helen Afford
Director

9 July 2010

1 Operating income	Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
Interest income from group undertakings	<u>39,507,347</u>	<u>83,292,510</u>

2 Operating expenses	Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
Administration expenses	<u>16,520</u>	<u>17,445</u>

3 Statutory and other information	Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
Profit on ordinary activities before taxation is stated after charging Auditors' remuneration - Audit	<u>2,575</u>	<u>17,271</u>

4 Staff numbers and costs

The company had no persons directly employed at any time during the year (period ended 31 December 2008 nil) Directors remuneration was borne by another group company

5 Taxation

	Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
(a) Analysis of charge in year/period		
Corporation tax on profits for the year/period	11,962,220	22,182,316
Total current tax (note 5(b))	11,962,220	22,182,316

(b) Factors affecting tax charge in year/period

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland of 12.5% as the company became UK tax resident on 1 November 2003, where the standard rate of tax is 28%. The standard rate of tax changed from 30% to 28% in April 2008. The differences are explained below

	Year ended 31 December 2009 US\$	15 month Period ended 31 December 2008 US\$
Profit on ordinary activities before tax	39,490,827	83,275,065
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28%	11,057,431	-
Profit on ordinary activities multiplied by the blended rate of corporation tax at 28.8% (average rate for the period)	-	23,983,218
<i>Effects of</i> FX loss/(gain) on tax settlement	904,789	(1,800,900)
Total current tax	11,962,220	22,182,318

6 Loans and advances

	31 December 2009 US\$	31 December 2008 US\$
<i>Amounts falling due within one year</i>		
Due from group undertakings	419,152,137	379,070,189
<i>Amounts falling due greater than one year</i>		
Due from group undertakings	752,000,000	752,000,000
	<u>1,171,152,137</u>	<u>1,131,070,189</u>

7 Debtors

	31 December 2009 US\$	31 December 2008 US\$
Accrued interest receivable	166,891	695,196
	<u>166,891</u>	<u>695,196</u>

All debtors fall due within one year

8 Creditors: amounts falling due within one year

	31 December 2009 US\$	31 December 2008 US\$
Other creditors	17,000	15,500
Amount due for UK tax	12,131,033	120,933
	<u>12,148,033</u>	<u>136,433</u>

9 Share capital

	31 December 2009 US\$	31 December 2008 US\$
<i>Authorised:</i>		
1,000,000,000 ordinary shares of US\$1 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<i>Allotted, called up and fully paid:</i>		
801,004,002 ordinary shares of US \$1 each	<u>801,004,002</u>	<u>801,004,002</u>

10 Reconciliation of movements in shareholders' funds

	Share capital US\$	Profit & Loss reserves US\$	Total Shareholder funds US\$
As at 31 December 2008	801,004,002	330,942,787	1,131,946,789
Movements in the year	-	27,528,607	27,528,607
As at 31 December 2009	<u>801,004,002</u>	<u>358,471,394</u>	<u>1,159,475,396</u>

11 Related parties

The company has availed of the exemption in Financial Reporting Standard No 8, "Related Party Disclosures", for wholly owned undertakings consolidated by a parent and, accordingly, the details of transactions with fellow group undertakings are not disclosed. Details of the availability of the group's consolidated financial statements are given in note 12 below.

12 Group membership

The company's ultimate parent undertaking is IMI plc, a company incorporated and operating in the United Kingdom. The company's financial statements are included in the consolidated financial statements prepared by its ultimate controlling party, IMI plc. The consolidated financial statements can be obtained from IMI plc, Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7XZ, United Kingdom.

13 Approval of financial statements

These financial statements were approved by the directors on 22 June 2010.