

Registered No. SC378424

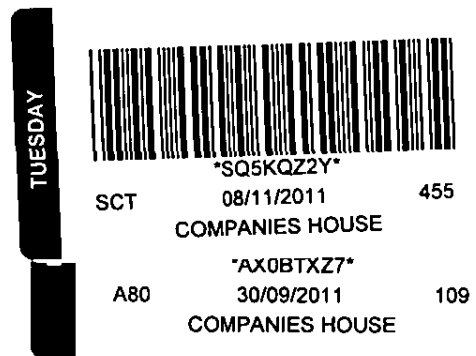
IMI Scotland Limited

Directors' report and financial statements

For the period 12 May 2010 to 31 December 2010

(Registered in Scotland - number SC378424)

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IMI SCOTLAND LIMITED
Directors' report and financial statements
for the period 12 May 2010 to 31 December 2010

Registered No. SC378424

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IMI SCOTLAND LIMITED
Registered No. SC378424
Directors' report
for the period 12 May 2010 to 31 December 2010

The Directors of IMI Scotland Limited submit their Report together with the financial statements for the period 12 May 2010 to 31 December 2010.

Period of accounts

This report and financial statements are the first since incorporation on 12 May 2010. They cover the period 12 May to 31 December 2010. The Company's accounting reference date is 31 December 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

The Company is a wholly owned subsidiary of IMI Group Limited. The Company was incorporated on 12 May 2010 to act as a general partner to the IMI Scottish Limited Partnership. The Company has the responsibility to manage all the day to day activities of the IMI Scottish Limited Partnership for which it is remunerated from the partnership assets in the form of a management fee. As the general partner of the IMI Scottish Limited Partnership, the Company has unlimited liability in respect of that partnership agreement.

The Company has no employees. The activities of the Company are performed by employees of fellow UK members of the IMI group of companies for which the Company pays a fee.

Result for the period and Dividends

The profit and loss account for the period 12 May 2010 to 31 December 2010 is shown on page 6. The profit for the period 12 May 2010 to 31 December 2010, after taxation, amounts to £ 7,632. The Company did not pay a dividend during the period.

Directors

The directors who held office during the period and since 31 December 2010 were as follows:

I D Moore (appointed 12 May 2010)
P G Flanagan (appointed 12 May 2010)
H L Afford (appointed 12 May 2010)

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.

IMI SCOTLAND LIMITED
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Directors' report
for the period 12 May 2010 to 31 December 2010

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.

By Order of the Board



N Thompson
Secretary

23 September 2011

IMI SCOTLAND LIMITED**Statement of directors' responsibility in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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.

IMI SCOTLAND LIMITED**Independent auditor's report to the member of
IMI Scotland Limited**

We have audited the financial statements of IMI Scotland Limited for the period ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds, and the related notes 1 to 9. 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 2, 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 directors' report to identify material inconsistencies with the audited financial statements. 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 2010 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.

IMI SCOTLAND LIMITED**Independent auditor's report to the member of
IMI Scotland Limited**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

29 SEPTEMBER 2011

IMI SCOTLAND LIMITED
Profit and loss account
for the period 12 May 2010 to 31 December 2010

	Notes	2010 £
Operating income		13,923
Administration expenses		(3,323)
		<hr/>
Operating profit being profit on ordinary activities before taxation	2	10,600
Taxation on profit on ordinary activities	3	(2,968)
Profit on ordinary activities after taxation		<hr/>
being profit for the financial period		<u>7,632</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.

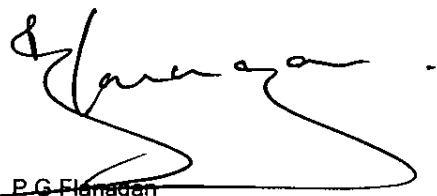
There were no recognised gains or losses in the period other than the profit for the financial period.

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

IMI SCOTLAND LIMITED
Balance sheet
as at 31 December 2010

	Notes	<u>2010</u>	
		£	£
Current assets			
Debtors	4	11,000	
Cash		2,365,295	
Creditors:			
Amounts falling due within one year	5	<u>(2,367,663)</u>	
Net current assets			8,632
Total assets less current liabilities			<u>8,632</u>
Financed by:			
Capital and reserves			
Called up share capital	6		1,000
Profit and loss account	7		7,632
Equity shareholder's funds			<u>8,632</u>

These financial statements were approved by the board of directors on 23 September 2011 and were signed on its behalf by:



P.G. Flanagan
Director

IMI SCOTLAND LIMITED
Reconciliation of movements in shareholder's funds
as at 31 December 2010

	2010 £
Profit for the financial period	<u>7,632</u>
Net addition to shareholder's funds	7,632
Shareholder's funds on incorporation	1,000
Closing shareholder's funds	<u><u>8,632</u></u>

IMI SCOTLAND LIMITED
Notes to the financial statements
for the period 12 May 2010 to 31 December 2010

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.

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 9.

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.

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.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed at the balance sheet date, except as otherwise required by FRS19.

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. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following:

	2010
	£
Auditor's remuneration and expenses	<u>823</u>

Amounts payable to the Company's auditor in respect of services to the company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent company, IMI plc.

IMI SCOTLAND LIMITED
Notes to the financial statements
for the period 12 May 2010 to 31 December 2010

3. Taxation

	2010 £
UK Corporation Tax charge	
UK corporation tax	2,968
Total current tax	<u>2,968</u>

Factors affecting the tax charge for the current period

The tax assessed for the period is the same as the company's underlying rate of tax of 28%.

	2010 £
Current tax reconciliation	
Profit on ordinary activities before tax	10,600
Total current tax	<u>2,968</u>

Factors that may affect future charges

The Finance (No 2) Act 2010 reduced the main rate of UK Corporation Tax from 28% to 27% from 1 April 2011. Additional changes to the main rate of UK Corporation Tax have been proposed in the Budget of 23 March 2011 to reduce the main rate to 26% from 1 April 2011 and by 1% per annum to 23% by 1 April 2014. The 1% reduction in main rate of UK corporation tax to 26% was substantially enacted on 29 March 2011. These changes had not been substantively enacted at the balance sheet date and consequently are not included in the Financial Statements.

4. Debtors

	2010 £
Amounts owed by group undertakings	<u>11,000</u>

5. Creditors: amounts falling due within one year

	2010 £
Amounts owed to group undertakings	6,746
Amounts owed to IMI Scottish Limited Partnership	2,357,949
Corporation tax	2,968
	<u>2,367,663</u>

IMI SCOTLAND LIMITED
Notes to the financial statements
for the period 12 May 2010 to 31 December 2010

6. Share Capital

	2010
	£
Authorised, issued, allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>

7. Reserves

	Profit and loss account
	£
On incorporation	-
Profit on ordinary activities after tax	<u>7,632</u>
Balance at end of year	<u>7,632</u>

8. Directors' emoluments

The directors of the Company are remunerated by IMI Kynoch Ltd. The directors consider that the level of their qualifying services provided to this Company are inconsequential.

9. Ultimate parent company

The immediate parent company is IMI Group Limited and the ultimate parent company is IMI plc both of which are incorporated in England and Wales. A copy of the group financial statements of that company can be obtained from:

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

Or at www.imiplc.com