

IMI GROUP SERVICES LIMITED

Directors' report and financial statements

For the year ended 31 December 2004

(Registered in England - number 3277084)



IMI GROUP SERVICES LIMITED

Directors : T J Slack (Chairman)
P A Boulton (resigned 04.04.05)

Secretary : H Brown (appointed 5 November 2005)

Registered Office : Lakeside
Solihull Parkway
Birmingham Business Park
Birmingham
B37 7XZ

REPORT OF DIRECTORS 2004

The Directors of IMI Group Services Limited submit their Report together with the Accounts for the year ended 31 December 2004.

1. Activity

The Company did not trade during the year. No dividend is proposed.

2. Board of Directors

After the year end Mr P A Boulton resigned as a Director and Miss J C Bower was appointed.

3. Directors' Interests in Shares and Debentures

Mr T J Slack is a Director of IMI plc, the ultimate parent company, and his interests in the shares and debentures of IMI plc are shown in the Directors' Report and Accounts of IMI plc. The interests of the other persons (including the interests of their families) who were Directors at the end of the year in shares and debentures of the Company's ultimate holding company, IMI plc, are shown below. None of the directors (or their families) had any interest in the share capital of the Company.

IMI plc Ordinary Shares As at 01.01.04 As at 31.12.04

P A Boulton	Nil	Nil
-------------	-----	-----

4. Directors' Share Options

The options held by Mr TJ Slack in the shares of IMI plc, are shown in the Directors' Report and Accounts of IMI plc. Options (as recorded in the register of directors' interests) in respect of shares of IMI plc granted to and exercised by other directors are shown below:

IMI GROUP SERVICES LIMITED
REPORT OF DIRECTORS (continued)

4. **Directors' Share Options (continued)**

Executive Options under The IMI Executive Share option (1995) scheme	Options granted during the year	Options exercised during the year
P A Boulton	5,000	NIL
Save as You Earn	Options granted during the year	Options exercised during the year
P A Boulton	Nil	NIL

5. **Directors' responsibilities for the financial statements**


The directors are required to prepare financial statements for each financial period which comply with the provisions of the Companies Act 1985 and give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the profit or loss for that period. Suitable accounting policies, consistently applied, supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and applicable accounting standards have been followed.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. **Auditors and AGMs**

The Company is exempt from the requirement to appoint auditors and by elective resolutions passed pursuant to the Companies Act 1985 the Company has dispensed with the holding of AGMs and the laying of accounts before general meetings.

By Order of the Board



H Brown
Secretary

Date: 4 March 2005

PROFIT AND LOSS ACCOUNT

During the year ended 31 December 2004 and preceding financial year, the company did not trade, received no income and incurred no expenditure. Consequently, the company has made neither a profit or a loss and has no recognised gains or losses.

BALANCE SHEET AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Assets			
Debtors	3	<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	4	1	1
Profit and Loss Account		-	-
Equity shareholders' funds		<u>1</u>	<u>1</u>

For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- a) ensuring the company keeps accounting records which comply with section 221; and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 4 March 2005 and are signed on its behalf by:



T J SLACK
Director

IMI GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. PRINCIPAL 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 have been prepared in accordance with applicable Accounting Standards and the Companies Act 1985 and under the historical cost accounting convention.

2. DIRECTORS' EMOLUMENTS

Neither the Chairman nor any of the Directors received any emoluments during the year.

3. DEBTORS

	2004	2003
	£	£
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

4. SHARE CAPITAL

	2004	2003
	£	£
Authorised - 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued, allotted, called up and fully paid - 1 Ordinary share of £1	<u>1</u>	<u>1</u>

5. ULTIMATE HOLDING COMPANY

The ultimate parent company is IMI plc which is incorporated in Great Britain. A copy of the Group financial statements of that Company can be obtained from:

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