

Årsredovisning

Kynoch Sweden Holding AB

Org.nr 556534-5450

Räkenskapsår 2022-01-01 - 2022-12-31

Fastställelseintyg

Undertecknad styrelseordförande intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 17 Maj 2023.

Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Ljung den 22 Maj 2023



Fredrik Dalqvist

Styrelseledamot

Årsredovisning

Kynoch Sweden Holding AB

Org.nr 556534-5450

Räkenskapsår 2022-01-01 - 2022-12-31

SK
MB
FA


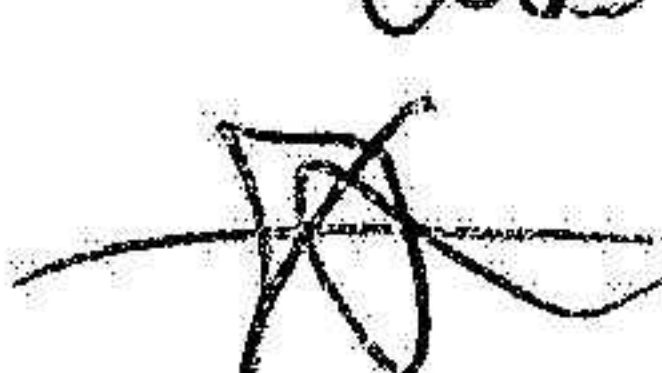
Årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

Styrelsen för Kynoch Sweden Holding AB avger härmed följande årsredovisning.

Innehåll	Sida
Förvaltningsberättelse	2
Resultaträkning	4
Balansräkning	5
Noter	6

Styrelsens säte: Herrljunga

Alla belopp redovisas, om inte annat anges, i tusentals kronor (TSEK).


UB


Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten

Företaget är ett dotterföretag till IMI Overseas Investment Ltd (organisationsnummer 00209251) med säte i Birmingham, Storbritannien som ingår i den brittiska industrikoncernen IMI Plc. IMI Plc med organisationsnummer 714275 med säte i Birmingham, Storbritannien upprättar koncernredovisning för den största koncernen. Årsredovisning för IMI Plc finns tillgänglig via bolagets hemsida.

Kynoch Sweden Holding AB har inte bedrivit någon verksamhet och har inte haft några anställda under året.

IMIs affärsidé är att vara en självklar partner för att skapa energieffektivt inomhusklimat. Genom våra medarbetares kompetens och engagemang tillhandahåller vi produkter och systemkunnande för professionella kunder.

IMI utvecklar och tillverkar i Sverige VVS-produkter för vatten-värme och kylsystem samt brandarmatur. Försäljningen sker i huvudsak genom helägda eller av IMI Plc ägda dotterbolag i en rad länder världen över.

Väsentliga händelser under räkenskapsåret

Under 2022 har koncernbidrag erhållits från IMI Hydronic Engineering om 369 kSEK.

Flerårsöversikt	2022	2021	2020	2019
Nettoomsättning (tkr)	0	0	0	0
Resultat efter finansiella poster (tkr)	63 454	93 988	318 100	-13 977
Soliditet (%)	88%	88%	85%	23%

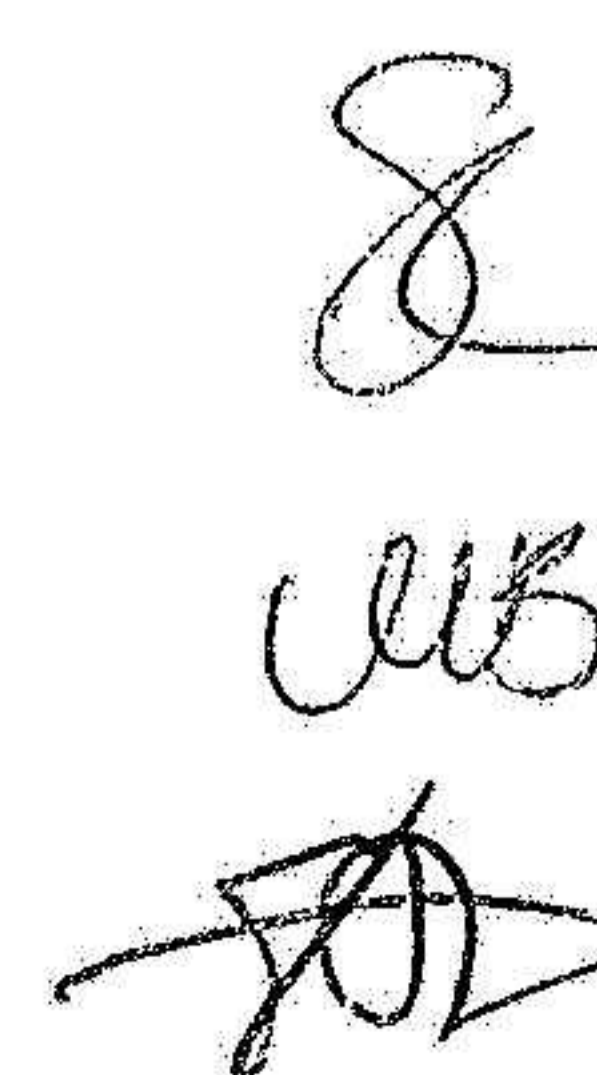
Förslag till resultatdisposition (kr)

Styrelsen föreslår att till förfogande stående vinstmedel

Balanserad vinst	187 798 095
Årets resultat	64 445 357
	252 243 452

disponeras så att

I ny räkning överföres	252 243 452
	252 243 452



Styrelsens yttrande över vinstdispositionen

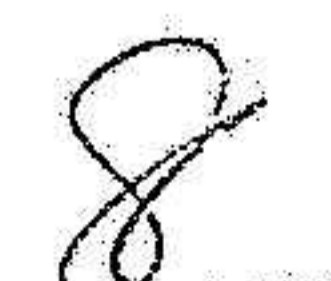
Styrelsen föreslår att årets resultat balanseras i ny räkning.

Vad beträffar företagens resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning med tillhörande bokslutskommentarer.

Förändringar i eget kapital

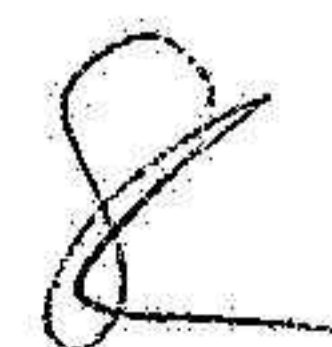
	Aktie- kapital	Reserv- fond	Överkurs- fond	Balanserat resultat	Årets resultat
Belopp vid årets ingång enligt fastställd balansräkning	100 030	20	299 995	72 127	115 671
Omföring av föregående års resultat		0	0	115 671	-115 671
Årets resultat		0	0	0	64 445
Belopp vid årets utgång	100 030	20	299 995	187 798	64 445

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Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
<i>Rörelseintäkter, lagerförändringar m.m.</i>			
Övriga rörelseintäkter		116	5 288
Summa rörelseintäkter, lagerförändringar m.m.		116	5 288
<i>Rörelsekostnader</i>			
Övriga externa kostnader	3	-63	-269
Summa rörelsekostnader		-63	-269
Rörelseresultat		54	5 020
<i>Finansiella poster</i>			
Resultat från andelar i koncernföretag	4	63 770	93 044
Ränteintäkter från Koncernföretag		2 373	2
Övriga ränteintäkter och liknande resultatposter		0	510
Räntekostnader	5	-2 742	-4 587
Summa finansiella poster		63 401	88 969
Resultat efter finansiella poster		63 454	93 988
<i>Bokslutsdispositioner</i>			
Erhållna koncernbidrag		369	0
Summa bokslutsdispositioner		369	0
Resultat före skatt		63 824	93 988
Skatt på årets resultat		622	21 683
Årets resultat		64 445	115 671






aus



Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
<i>Finansiella anläggningstillgångar</i>			
Andelar i koncernföretag	6,7	556 445	556 445
		556 445	556 445
Summa anläggningstillgångar		556 445	556 445
Omsättningstillgångar			
<i>Kortfristiga fordringar</i>			
Fordringar hos koncernföretag		182 048	93 099
Skattefordran		0	21 636
		182 048	114 734
Summa omsättningstillgångar		182 048	114 734
SUMMA TILLGÅNGAR		738 493	671 179
EGET KAPITAL OCH SKULDER			
Eget kapital			
<i>Bundet eget kapital</i>			
Aktiekapital		100 030	100 030
Reservfond		20	20
		100 050	100 050
<i>Fritt eget kapital</i>			
Överkursfond		299 995	299 995
Balanserat resultat		187 798	72 127
Årets resultat		64 445	115 671
		552 238	487 793
Summa eget kapital		652 288	587 843
Långfristiga skulder	8		
Checkräkningskredit			
Skulder till koncernföretag		86 013	83 272
Summa långfristiga skulder		86 013	83 272
Kortfristiga skulder			
Skatteskulder		132	0
Upplupna kostnader och förutbetalda intäkter		60	64
Summa kortfristiga skulder		191	64
SUMMA EGET KAPITAL OCH SKULDER		738 493	671 179

Noter

Not 1. Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2016:10, Årsredovisning i mindre aktieföretag (K2). Koncernredovisning upprättas inte med hänvisning till undantaget i ÅRL 7:2. IMI Plc med organisationsnummer 714275 med säte i Birmingham, Storbritannien upprättar koncernredovisning för den största koncernen. Årsredovisning för IMI Plc finns tillgänglig via bolagets hemsida.

Fordringar, skulder och avsättningar

Fordringar har värderats till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Övriga tillgångar, skulder samt avsättningar har värderats till anskaffningsvärden om annat ej anges.

Poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Not 2. Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i Årsredovisningslagen 7 kap 2 § upprättas ingen koncernredovisning. Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är IMI Plc med säte i Birmingham, Storbritannien, som även är moderföretag för hela koncernen.

Not 3. Anställda och personalkostnader

Bolaget har inga anställda och inga löner eller ersättningar har betalats under räkenskapsåret eller jämförelseåret.

Not 4. Resultat från andelar i koncernföretag

	2022	2021
Anteciperad utdelning	63 770	93 044
Summa	63 770	93 044

Not 5. Övriga räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader, koncernföretag	-2 741	-4 587
Övriga räntekostnader	-1	
	-2 742	-4 587

SC

AKB

JA

Not 6. Andelar i koncernföretag




	2022-12-31	2021-12-31
Ingående anskaffningsvärden	556 445	556 445
Utgående ackumulerade anskaffningsvärden	556 445	556 445
Ingående nedskrivningar		
Årets nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	0	0
Utgående redovisat värde	556 445	556 445

Not 7. Specifikation av andelar i koncernföretag

Namn	Kapital- andel	Rösträtts- andel	Antal andelar	Bokfört värde
IMI Hydronic Engineering AB, 556033-6256, Herrljunga	100%	100%	1 000 000	556 445
IMI Hydronic Turkey,	0,03%	0,03%	1	0
Summa				556 445

Not 8. Långfristiga skulder

	2022-12-31	2021-12-31
Förfaller mellan 1 och 5 år efter balansdagen		
Skulder till koncernföretag	86 013	83 272
	86 013	83 272

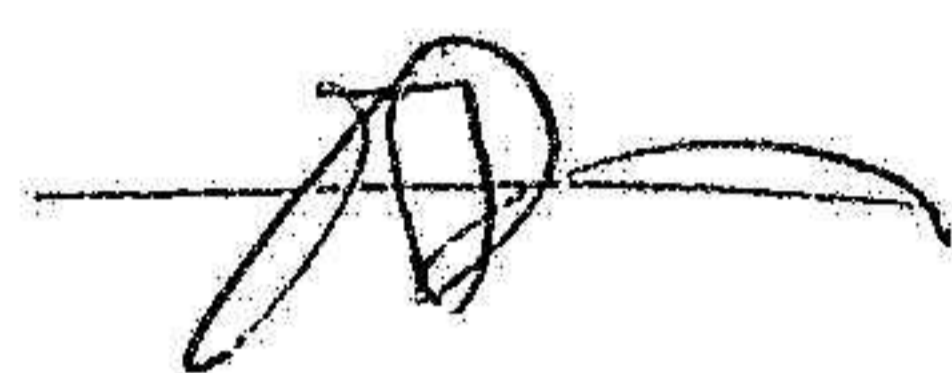
Not 9. Ställda säkerheter och Eventualförpliktelser

	2022-12-31	2021-12-31
Ställda säkerheter	0	0
Eventualförpliktelser	0	0

Not 10. Väsentliga händelser efter balansdagen

Inga väsentliga händelser efter balansdagen.

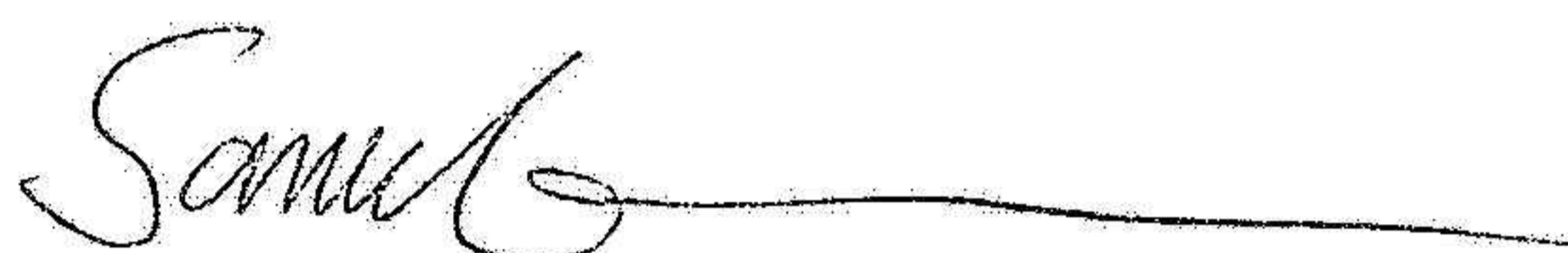
Herrljunga den 19 April 2023



Fredrik Dalqvist
Styrelseledamot



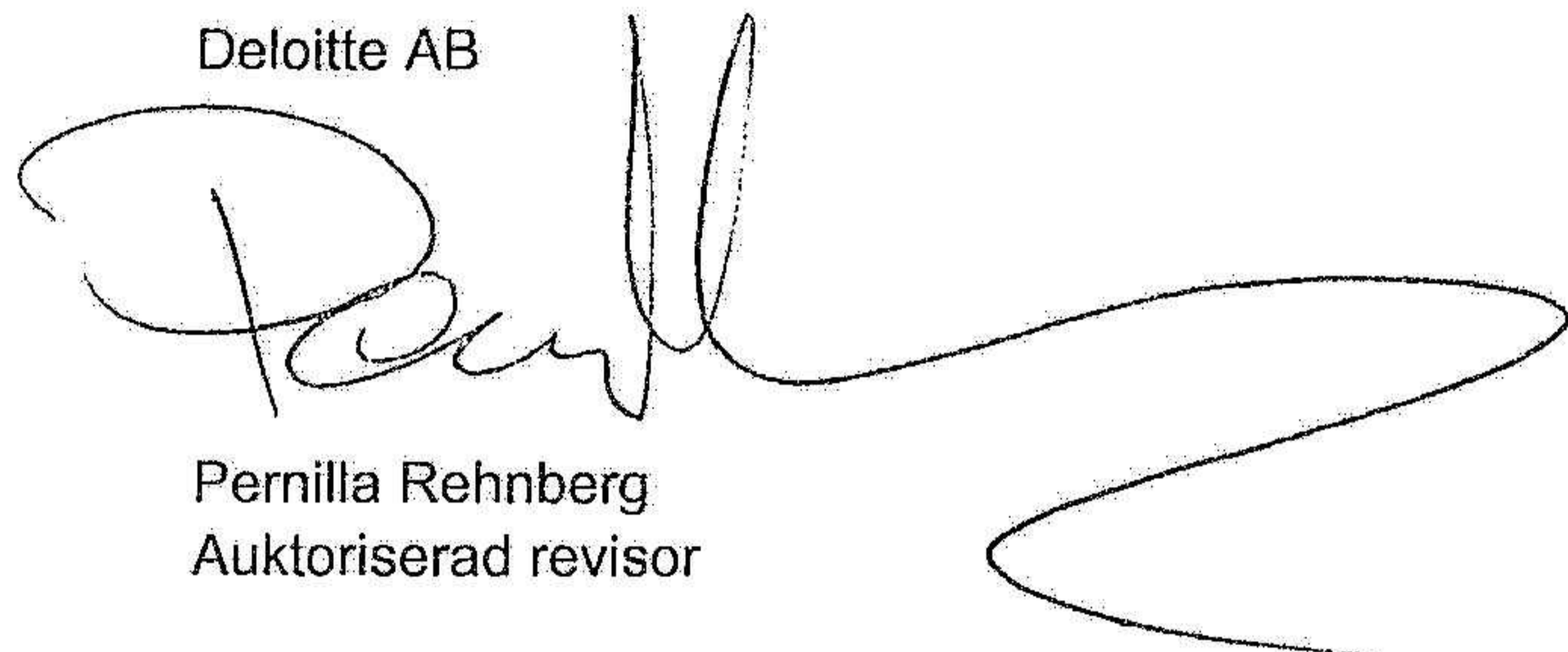
Madeleine Bengtsson
Styrelseledamot



Samuel Levin
Styrelsens ordförande

Vår revisionsberättelse har lämnats ²⁷April 2023

Deloitte AB



Pernilla Rehnberg
Auktoriserad revisor

REVISIONSBERÄTTELSE

Till bolagsstämman i Kynoch Sweden Holding AB
organisationsnummer 556534-5450

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Kynoch Sweden Holding AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Kynoch Sweden Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionsred i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Kynoch Sweden Holding AB enligt god revisorsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionsred i Sverige alltid kommer att

upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Kynoch Sweden Holding AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorers ansvar*. Vi är oberoende i förhållande till Kynoch Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorers ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

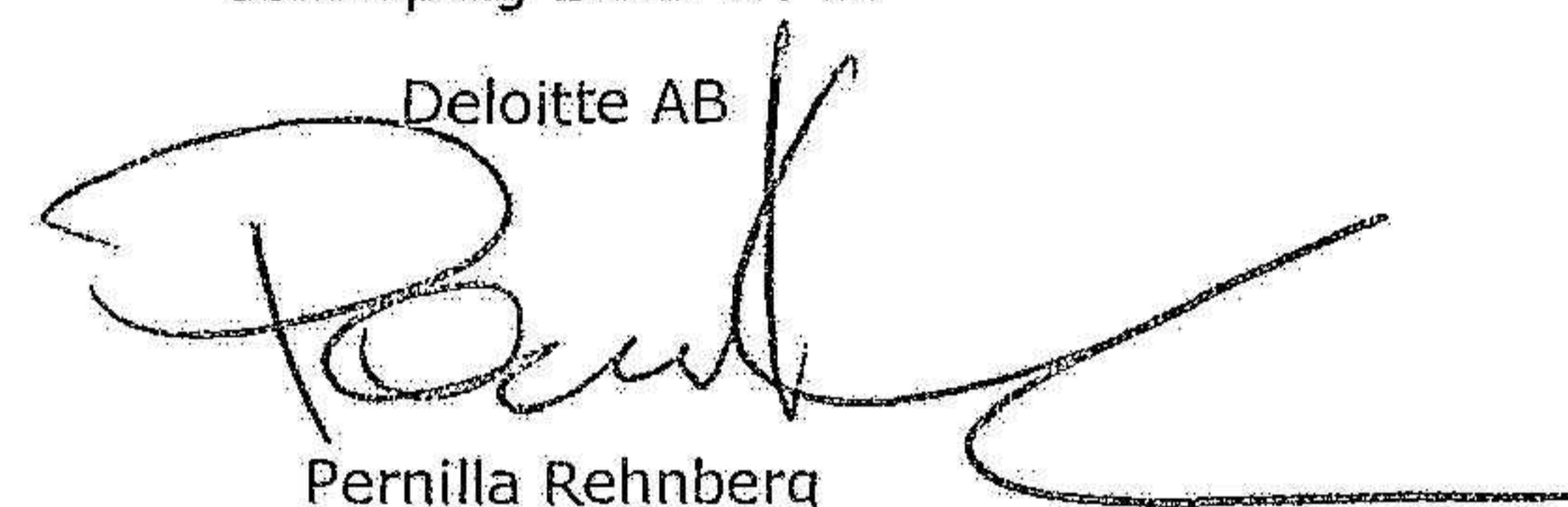
Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Jönköping 2023-04-27

Deloitte AB



Pernilla Rehnberg
Auktoriserad revisor

Financial Statements contents

152	Independent Auditor's Report to the Members of IMI plc	205	15. Inventories
162	Consolidated income statement	206	16. Trade and other receivables
163	Consolidated statement of comprehensive income	207	17. Financial assets and liabilities
163	Consolidated statement of changes in equity	209	18. Financial risk management
164	Consolidated balance sheet	213	19. Net debt
165	Consolidated statement of cash flows	217	20. Provisions
		218	21. Trade and other payables
		219	22. Share capital
		220	23. Acquisitions
		222	24. Disposals
166	1. Basis of preparation	222	25. Contingent liabilities
168	2. Significant accounting policies	223	26. Related party transactions
171	3. Alternative Performance Measures ('APMs') & adjusting items	223	27. Subsequent events
174	4. Segmental information		
179	5. Net operating costs	224	Company balance sheet
180	6. Share-based payments	225	Company statement of changes in equity for the year
183	7. Earnings per ordinary share	226	Company notes to the financial statements
184	8. Net financing costs	229	Subsidiary undertakings
185	9. Taxation	233	Geographic distribution of employees
189	10. Dividends	234	Five year summary
190	11. Intangible assets	236	Shareholder and general information
194	12. Property, plant and equipment		
195	13. Leases		
198	14. Retirement benefits		

Independent Auditor's Report to the Members of IMI plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of IMI plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company balance sheets;
- the consolidated cash flow statement;
- the related Notes 1 to 27 for the consolidated financial statements; and
- the related Notes C1 to C10 for the parent company.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in Note 5 to the financial statements.

We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • overstatement of revenue throughout inappropriate cut-off in the IMI Critical Engineering division; and • valuation of inventory. <p>Whilst we identified the classification of adjusting items as an audit risk, we did not consider it a key audit matter in the current year.</p> <p>Our key audit matter in relation to inventory in the current year is in respect of the risk of valuation. In the prior year our inventory key audit matter focussed on the provision for excess and obsolete inventory in the IMI Critical Engineering and IMI Precision Engineering divisions. The broader scope in the current year reflects the increase in the carrying value of inventory to £416.3 million (FY21: £335.2 million).</p>
Materiality	<p>The materiality that we used for the Group financial statements was £15.0 million (2021: £13.0 million) which was determined on the basis of 5% of forecast pre-tax profit adjusted for restructuring costs.</p>
Scoping	<p>Full scope audit work was performed on 3 (2021: 8) reporting components, and audits of specified balances and specified audit procedures were undertaken on a further 45 (2021: 39) reporting components. These in-scope components account for 70% (2021: 73%) of Group revenue. Certain components are loss making, including those which are solely cost centres. When considering the absolute value of each component's profit or loss for the period, the in-scope components accounted for 76% (2021: 77%) of total pre-tax absolute results.</p>

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's financing facilities including the nature of facilities, repayment terms, covenants and expected renewal of financing arrangements;
- challenging the assumptions used in the Board approved forecasts by reference to historical performance and other supporting evidence such as market data;
- recalculating the amount of headroom in the forecasts (in liquidity terms and against the relevant covenant limits);
- assessing the appropriateness of the sensitivity analysis and reverse stress tests performed by management; and
- assessing the appropriateness of the disclosures made by management.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of IMI plc

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5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Overstatement of revenue through inappropriate cut-off in the IMI Critical Engineering division

Key audit matter description The Group recognised revenue of £2,049 million (FY21: £1,866 million), principally through the provision of goods and services accounted for under IFRS 15, as described in the Audit Committee Report and Note 2c to the financial statements.

We have performed a risk assessment of the Group's revenue streams to understand the revenue cycles across each business. We identified a key audit matter in relation to the risk, due to either fraud or error, of inappropriate cut-off of revenue in the IMI Critical Engineering division (see Note 4) owing to the fact that more revenue is generated in December as compared to other months in the year.

How the scope of our audit responded to the key audit matter We have performed the following procedures to address this key audit matter:

- obtained an understanding of the relevant controls over revenue, and controls that specifically address the cut-off risk;
- assessed the level of credit notes and statutory adjustments raised post year-end (both in FY22 and FY23 to date) to look for evidence of significant reversals of revenue in the subsequent period; and
- tested a sample of transactions around the year end to assess whether revenue was being recognised in the correct period.

Key observations We consider the year-end cut-off of revenue recognised in the IMI Critical Engineering division is appropriate.

5.2. Inventory valuation

Key audit matter description The Group's inventory balance as at 31 December 2022 was £416.3 million (FY21: £335.2 million). As described in the Financial Review on page 35 the Group has increased inventories to maintain service levels to customers in light of supply chain challenges. Inventory valuation is considered a significant accounting matter by the Audit Committee on page 116.

As such, we have identified a key audit matter to focus on the inventory valuation risk, including: consideration of the provision for excess or obsolete (E&O) inventory; judgements relating to the manufacturing costs of inventory and overhead absorption; and physical verification of inventory.

As disclosed in Note 15, the provision for E&O inventory as at 31 December 2022 was £52.5 million (FY21: £46.2 million). The Group's provision policy for E&O inventory is determined by considering expected usage levels of inventory, based on historical sales, as well as forward looking judgements such as forecast sales associated with new products. Where local management judgement is applied, Group level review and approval is required.

Judgement is applied to the cost of inventories, in order to accurately reflect the manufacturing costs incurred in bringing them to their current condition and location. The manufacturing cost primarily relate to the assessment of direct labour costs incurred, manufacturing overheads to be absorbed and other relevant production costs.

How the scope of our audit responded to the key audit matter We have performed the following procedures to address this key audit matter:

- obtained an understanding of the relevant controls relating to the E&O provision;
- challenged the assumptions underpinning the judgements applied in determining the E&O provision, and assessed whether the policy is being applied consistently across the Group;
- challenged the key assumptions concerning overhead absorption by assessing the appropriateness of absorbed costs against the requirements of IAS 2; and
- attended physical inventory counts at 24 locations to test, on a sample basis, the existence of inventory and assess for any indicators of impairment.

Key observations Based on our procedures performed, we are satisfied that the carrying value of inventory as at 31 December 2022 is appropriate.

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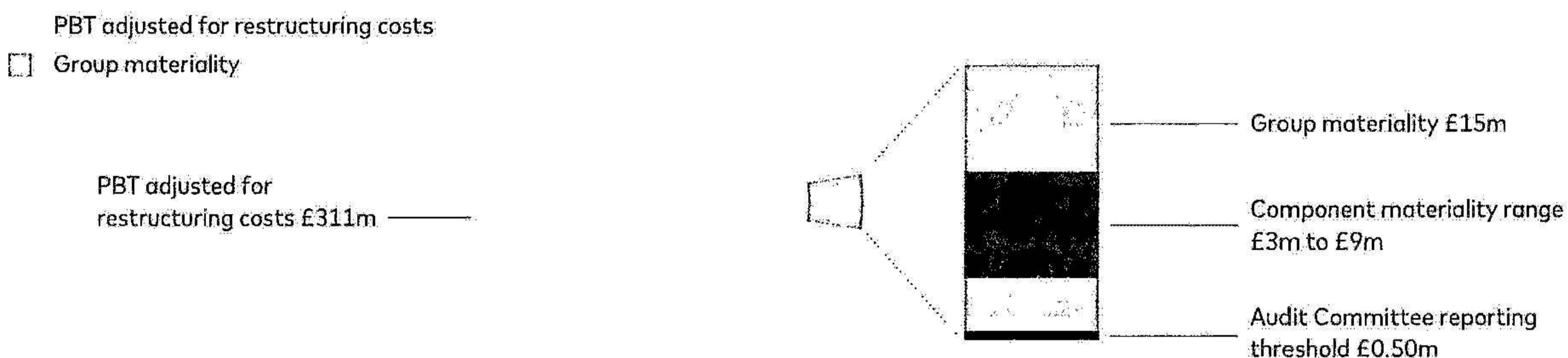
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£15.0 million (2021: £13.0 million)	£10.6 million (2021: £10.9 million)
Basis for determining materiality	5% of forecast pre-tax profit adjusted for restructuring costs (2021: same).	2% of net assets (2021: same).
Rationale for the benchmark applied	<p>Profit before tax is a key metric for users of the financial statements and reflects the way business performance is reported and assessed by external users of the financial statements.</p> <p>The Group has incurred significant restructuring costs as an adjusting item therefore we believe it is appropriate to adjust for these costs in determining an appropriate level of materiality.</p>	The parent company does not generate external sales therefore we have determined net assets to be the appropriate basis.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2021: 70%) of Group materiality	70% (2021: 70%) of parent company materiality
Basis and rationale for determining performance materiality	<p>In determining performance materiality for the Group and parent company, we considered the following factors:</p> <ul style="list-style-type: none"> • the control environment in place across the Group; • the level of oversight at both a Group and divisional level over the local entity financial reporting processes; • the low level of corrected and uncorrected misstatements identified in the prior year audit; and • the stability and experience of key management personnel in senior roles at Group and divisional levels. 	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £500,000 (2021: £260,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Independent Auditor's Report
to the Members of IMI plc

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7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group operates in over 50 locations across the world. Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Based on that assessment, we focused our Group audit scope across all three divisions: IMI Critical Engineering, IMI Precision Engineering and IMI Hydronic Engineering.

● These three divisions comprise of many individual reporting components, which represent the lowest level at which management prepares financial information that is included in the Financial Statements. The parent company is located in the UK and is audited directly by the Group audit team.

We have considered reporting components based on their contribution to Group revenue and profit, as well as qualitative considerations such as results of recent internal audit reviews undertaken by the Group Assurance function, and an understanding of any recent or projected restructuring or relocation activities in specific locations.

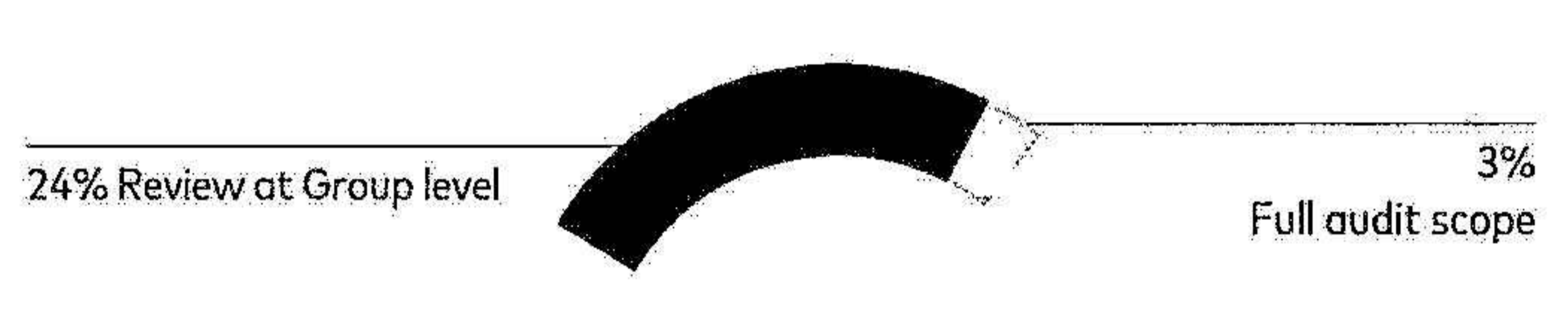
● Full scope audit work was completed on 3 (2022: 8) components and audits of specified balances or specified audit procedures were undertaken at a further 45 (2022: 39) components. Each reporting component in scope was subject to an audit materiality level between £3 million (2022: £2million) and £9 million (2022: £6 million).

These in-scope components account for 70% (2021: 73%) of Group revenue. Certain components are loss making, including those which are solely cost centres. When considering the absolute value of each component's profit or loss for the period, the in-scope components accounted for 76% (2021: 77%) of total pre-tax absolute results. At a Group level, further substantive audit work was performed over the consolidation and analytical review procedures were performed over all components not in scope.

Revenue



Pre-tax absolute results



63%
Specified audit procedures

73%
Specified audit procedures

7.2. Our consideration of the control environment

The Group uses a number of different IT systems across the reporting components and we worked with our IT specialists to obtain an understanding of the general IT controls for relevant systems. Following this, we focused our testing on the three core financial IT systems that underpin the three divisions and which the majority of entities either utilise or plan to migrate to in the future.

● Our approach was principally designed to inform our risk assessment and, as such, we obtained an understanding of relevant IT controls and tested the operating effectiveness of general IT controls across the three core systems. During the year management remediated control deficiencies identified in the prior year.

In regard to the unauthorised access to the IT systems reported in the Strategic report on page 90, we evaluated the significance of the breach and the impact on our audit approach.

Given the disaggregated nature of the Group, we continue to adopt a largely substantive audit approach.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

As noted on page 88 the Group has assessed the risk and opportunities relevant to climate change and whilst the Group has not identified a separate principal risk in relation to the potential risk of climate change, it is incorporated into several existing principal risks.

We have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. Whilst the directors have acknowledged the risks posed by climate change, they have assessed that climate change does not represent a key source of estimation uncertainty in the financial statements as at 31 December 2022.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. Our procedures included reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The audit work on all components was performed by Deloitte member firms. The component work was performed under the direction and supervision of the Group audit team.

The extent of our involvement which commenced from the planning phase included:

- setting the scope of the work to be performed by the component auditors and assessment of their independence;
- designing the audit procedures for all significant risks to be addressed by the component auditors and issuing Group audit instructions detailing the nature and form of the reporting required by the Group engagement team;
- hosting a webinar for all component auditors at the planning stage of the audit to highlight key aspects of the audit instructions and expectations of the Group audit team;
- providing direction on instructions specific to individual components during visits by senior members of the Group audit team to 10 sites during the year;
- providing direction on enquiries made by the component auditors through online and telephone conversations;
- attendance at audit planning and close calls at components selected through a risk-based approach; and
- a risk-based approach to the review of specific component auditors' engagement files by senior members of the Group engagement team.

Independent Auditor's Report to the Members of IMI plc

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8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, Group Assurance, and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified, having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: overstatement of revenue through inappropriate cut-off in the IMI Critical Engineering division and classification of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules in the UK, pensions legislation and tax legislation in all relevant jurisdictions where the Group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified overstatement of revenue through inappropriate cut-off in the IMI Critical Engineering division as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to the key audit matter.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the risk of incorrect classification of adjusting items, reviewing the Group's policy for adjusting items, assessing the nature and quantum of the items identified, and evaluating the appropriateness of the classification against the Group's policy; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component audit teams and internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report to the Members of IMI plc

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Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 95;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 94;
- the directors' statement on fair, balanced and understandable set out on page 149;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 88;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 86; and
- the section describing the work of the Audit Committee set out on page 114.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

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15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors at the Annual General Meeting on 6 May 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the year ended 31 December 2022.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (ESEF RTS). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Dean Cook MA FCA
Senior statutory auditor

For and on behalf of Deloitte LLP, Statutory Auditor
London, United Kingdom
3 March 2023

Consolidated income statement

For the year ended 31 December 2022

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	Notes	2022			2021		
		Adjusted £m	Adjusting items (Note 3) £m	Statutory £m	Adjusted £m	Adjusting items (Note 3) £m	Statutory £m
Revenue	4	2,049		2,049	1,866		1,866
Cost of sales		(1,110.9)	(1.2)	(1,112.1)	(1,004.3)	(0.3)	(1,004.6)
Gross profit		938.1	(1.2)	936.9	861.7	(0.3)	861.4
Net operating costs	5	(574.3)	(64.4)	(638.7)	(543.6)	(67.3)	(610.9)
Operating profit		363.8	(65.6)	298.2	318.1	(67.6)	250.5
Financial income	8	4.6		4.6	2.4		2.4
Financial expense	8	(23.8)		(23.8)	(14.5)		(14.5)
Gains on instruments measured at fair value through profit or loss (Note 1)			4.9	4.9		5.2	5.2
Net financial income relating to defined benefit pension schemes	14	1.5		1.5	1.0		1.0
Net financial (expense)/income		(17.7)	4.9	(12.8)	(11.1)	5.2	(5.9)
Profit before tax		346.1	(60.7)	285.4	307.0	(62.4)	244.6
Taxation	9	(73.7)	14.6	(59.1)	(61.4)	13.1	(48.3)
Profit after tax		272.4	(46.1)	226.3	245.6	(49.3)	196.3
Earnings per share	7						
Basic – from profit for the year				87.6p			73.5p
Diluted – from profit for the year				87.2p			73.2p

All activities relate to continuing operations and are all attributable to the owners of the Company.

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Notes	2022		2021	
		£m	£m	£m	£m
Profit for the year			226.3		196.3
Items that will not subsequently be reclassified to profit and loss					
Re-measurement (loss)/gain on defined benefit plans	14	(82.7)		70.9	
Related taxation effect	9	20.4		(18.4)	
Effect of taxation rate change on previously recognised items	9	-		15.8	
			(62.3)		68.3
Items that may be reclassified to profit and loss					
(Loss)/gain arising on hedging instruments designated in hedges of the net assets in foreign operation	17	(7.5)		20.0	
Gain/(loss) on exchange differences on translation of foreign operations net of funding revaluations		40.9		(33.8)	
Gain on exchange differences reclassified to income statement on disposal of operations		0.6		0.1	
Related tax (charge)/credit on items that may subsequently be reclassified to profit and loss	9	(0.3)		1.2	
			33.7		(12.5)
Other comprehensive (loss)/income for the year, net of taxation			(28.6)		55.8
Total comprehensive income for the year, net of taxation			197.7		252.1
Attributable to:					
Equity holders of the parent			197.7		252.1

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
As at 1 January 2021		81.8	14.3	174.4	22.6	506.4	799.5
Profit for the year						196.3	196.3
Other comprehensive (expense)/income excluding related taxation effect					(13.7)	70.9	57.2
Related taxation effect					1.2	(2.6)	(1.4)
Total comprehensive (expense)/income					(12.5)	264.6	252.1
Issue of share capital	22	-	0.9				0.9
Dividends paid	10					(61.8)	(61.8)
Share-based payments (net of tax)	6					15.0	15.0
Cancellation of Treasury shares	22	(3.2)		3.2			-
Shares acquired for:							
employee share scheme trust						(26.6)	(26.6)
share buyback programme						(200.0)	(200.0)
As at 31 December 2021		78.6	15.2	177.6	10.1	497.6	779.1
Changes in equity in 2022							
Profit for the year						226.3	226.3
Other comprehensive income/(expense) excluding related taxation effect					34.0	(82.7)	(48.7)
Related taxation effect					(0.3)	20.4	20.1
Total comprehensive income					33.7	164.0	197.7
Issue of share capital	22	-	1.2				1.2
Dividends paid	10					(62.2)	(62.2)
Share-based payments (net of tax)	6					9.8	9.8
Shares acquired for:							
employee share scheme trust						(20.0)	(20.0)
As at 31 December 2022		78.6	16.4	177.6	43.8	589.2	905.6

Consolidated balance sheet

At 31 December 2022

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	Notes	2022 £m	2021 £m
Assets			
Goodwill	11	733.7	533.6
Other intangible assets	11	270.5	234.5
Property, plant and equipment	12	299.2	267.7
Right of use assets	13	107.0	91.5
Employee benefit assets	14	28.5	129.0
Deferred tax assets	9	24.5	39.7
Other receivables		2.6	1.9
Total non-current assets		1,466.0	1,297.9
Inventories	15	416.3	335.2
Trade and other receivables	16	484.9	414.0
Derivative financial assets	17	15.7	10.0
Current tax		2.0	14.2
Investments	17	2.0	2.9
Cash and cash equivalents	19	133.0	94.6
Total current assets		1,053.9	870.9
Total assets		2,519.9	2,168.8
Liabilities			
Trade and other payables	21	(437.7)	(400.4)
Bank overdraft	19	(93.8)	(65.5)
Interest-bearing loans and borrowings	19	(150.1)	(127.7)
Lease liabilities	13	(25.8)	(23.9)
Provisions	20	(27.2)	(38.1)
Current tax		(70.1)	(66.0)
Derivative financial liabilities	17	(13.8)	(6.3)
Total current liabilities		(818.5)	(727.9)
Interest-bearing loans and borrowings	19	(595.4)	(430.3)
Lease liabilities	13	(79.9)	(70.0)
Employee benefit obligations	14	(47.4)	(66.5)
Provisions	20	(15.3)	(18.3)
Deferred tax liabilities	9	(47.9)	(70.2)
Other payables	21	(9.9)	(6.5)
Total non-current liabilities		(795.8)	(661.8)
Total liabilities		(1,614.3)	(1,389.7)
Net assets		905.6	779.1
Share capital	22	78.6	78.6
Share premium		16.4	15.2
Other reserves		221.4	187.7
Retained earnings		589.2	497.6
Total equity		905.6	779.1

Approved by the Board of Directors on 2 March 2023 and signed on its behalf by:

Lord Smith of Kelvin

Chair

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	2022 £m	2021 £m
Cash flows from operating activities			
Operating profit for the year		298.2	250.5
Adjustments for:			
Depreciation and amortisation	11, 12, 13	122.2	99.5
(Reversal of impairment)/impairment of property, plant and equipment and intangible assets	11, 12, 13	(1.6)	5.5
Loss on disposal of subsidiaries	24	4.8	3.8
Loss/(profit) on sale of property, plant and equipment	12	1.7	(1.3)
Equity-settled share-based payment expense	6	11.7	12.0
Increase in inventories	15	(47.6)	(37.3)
Increase in trade and other receivables	16	(38.8)	(44.0)
Increase in trade and other payables	21	1.3	30.7
Decrease in provisions (Note 1)	20	(16.0)	(1.2)
Increase in employee benefits (Note 1)	14	2.2	3.0
Settlement of transactional derivatives	17	(2.3)	5.9
Cash generated from operations		335.8	327.1
Income taxes paid	9	(48.6)	(50.9)
Cash generated from operations after tax		287.2	276.2
Additional pension scheme funding	14	(3.5)	(7.0)
Net cash from operating activities		283.7	269.2
Cash flows from investing activities			
Interest received	8	4.6	2.4
Proceeds from sale of property, plant and equipment	12	2.9	4.6
Settlement of effective net investment hedge derivatives	17	(6.3)	20.5
Acquisitions of subsidiaries net of cash	23	(201.2)	(202.1)
Acquisition of property, plant and equipment and non-acquired intangibles	11, 12	(71.3)	(57.5)
Proceeds from disposal of subsidiaries net of cash	24	(2.1)	0.1
Net cash from investing activities		(273.4)	(232.0)
Cash flows from financing activities			
Interest paid	8	(23.8)	(14.5)
Proceeds from shares issued from employee share scheme trust (Note 1)	22	-	3.4
Shares acquired for employee share scheme trust (Note 1)	22	(20.0)	(30.0)
Share buyback programme including acquisition expenses	22	-	(200.0)
Proceeds from the issue of share capital for employee share schemes	22	1.2	1.0
Drawdown of borrowings	19	259.1	208.0
Repayment of borrowings	19	(121.3)	-
Principal elements of lease payments	13	(32.3)	(30.0)
Dividends paid to equity shareholders	10	(62.2)	(61.8)
Net cash from financing activities		0.7	(123.9)
Net increase/(decrease) in cash and cash equivalents	19	11.0	(86.7)
Cash and cash equivalents at the start of the year	19	29.1	134.4
Effect of exchange rate fluctuations		(0.9)	(18.6)
Cash and cash equivalents at the end of the year		39.2	29.1
Reconciliation of cash and cash equivalents			
Cash and cash equivalents:		133.0	94.6
Bank overdraft		(93.8)	(65.5)
Cash and cash equivalents at the end of the period		39.2	29.1

Notes to the cash flow appear in Note 19.