

Matthey Finance Limited

Directors' Report and Accounts

For the year ended 31 March 2012

Registered number 301279



Matthey Finance Limited

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Matthey Finance Limited

Directors' report

The directors present their report and audited accounts for the year ended 31 March 2012

Principal activity

The company is a holding company for certain overseas investments of the Johnson Matthey group

Results and dividends

The company's profit for the year ended 31 March 2012 is £724,000 (2011 £587,000) The profit and loss account is set out on page 3 The directors recommend the payment of a final ordinary dividend of £724,000 for the year ended 31 March 2012 which will be paid during the year ending 31 March 2013 (2011 £587,000)

Directors

The directors who served during the year were S Farrant, R J MacLeod and S P Robinson

Directors' indemnity

Under a Deed Poll dated 20 July 2005 the ultimate parent company has granted indemnities in favour of each director of its subsidiaries in respect of any liability that he may incur to a third party in relation to the affairs of any group member Such indemnities were in force during the year ended 31 March 2012 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2012 and remain in force for the benefit of all persons who are directors of the subsidiaries at the date when this report was approved

Disclosure of information to auditor

So far as each person currently serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditor is unaware and each director hereby confirms that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Responsibility of the directors for preparation of the directors' report and the accounts

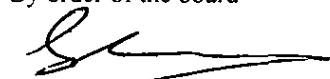
The directors are responsible for preparing the directors' report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have elected to prepare the accounts in accordance with UK Accounting Standards and applicable law Under company law the directors must not approve the accounts 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 accounts, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and 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 accounts, and
- prepare the accounts 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 accounts comply with the Companies Act 2006 They have general responsibility 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

By order of the board



S Farrant

Company Secretary

11 October 2012



Independent auditor's report to the members of Matthey Finance Limited

We have audited the accounts of Matthey Finance Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement on page 1, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts 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 accounts

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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

Richard Ackland (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL
11 October 2012

Matthey Finance Limited

Profit and loss account

For the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Administrative expenses		(2)	(2)
Operating profit		(2)	(2)
Interest receivable from ultimate parent company		981	817
Profit on ordinary activities before taxation	1	979	815
Taxation	2	(255)	(228)
Profit for the year	9	724	587

There were no other recognised gains or losses during the year

The accompanying notes are an integral part of the accounts

Matthey Finance Limited

Balance sheet

As at 31 March 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments in subsidiaries	4	<u>38,388</u>	<u>28,042</u>
		<u>38,388</u>	<u>28,042</u>
Current assets			
Debtors	5	<u>170,365</u>	<u>180,549</u>
		<u>170,365</u>	<u>180,549</u>
Creditors: amounts falling due within one year	6	<u>(257)</u>	<u>(232)</u>
Net current assets		<u>170,108</u>	<u>180,317</u>
Net assets		<u>208,496</u>	<u>208,359</u>
Capital and reserves			
Called up share capital	7	200,097	200,097
Share premium account	8	7,675	7,675
Profit and loss account	8	<u>724</u>	<u>587</u>
Shareholders' funds		<u>208,496</u>	<u>208,359</u>

The accounts were approved by the board on 11 October 2012 and signed on its behalf by



R J MacLeod

Director

Company registration number 301279

The accompanying notes are an integral part of the accounts

Matthey Finance Limited

Accounting policies

For the year ended 31 March 2012

Accounting convention

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention

Basis of preparation

The company has taken advantage of the exemption from preparing consolidated accounts afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Johnson Matthey Plc which prepares consolidated accounts that are publicly available (note 12). Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

The company is also, on this basis, exempt from the requirement of Financial Reporting Standard (FRS) 1 (Revised) – “Cash Flow Statements” to present a cash flow statement.

Foreign currencies

Transactions in foreign currencies during the year are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end exchange rates and any exchange differences arising thereon are taken to the profit and loss account.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Investments

Equity investments in overseas subsidiaries are recorded at the sterling cost of the foreign currency investment at the time it is made.

Provision is made to reduce the cost of investment to underlying net asset value where, in the opinion of the directors, a permanent diminution in the value of the investment has occurred.

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2012

1. Profit on ordinary activities before taxation

The directors are remunerated by the ultimate parent company. No remuneration was paid to the directors in respect of services to this company (2011 £ nil). During the year none of the directors (2011 none) exercised share options in the ultimate parent company and two of the directors (2011 none) received shares under the ultimate parent company long term incentive plan.

Audit fees payable to the company's auditor for the audit of the company's annual accounts were £2,000 (2011 £2,000).

2. Taxation

Analysis of tax charge for the year

	2012 £'000	2011 £'000
Current tax		
UK corporation tax on profits for the year	255	228
Total current tax charge	255	228

No provision for deferred tax is required.

Factors affecting tax charge for the year

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	979	815
Tax charge at UK corporation tax rate of 26% (2011 28%)	255	228
Current tax charge for the year	255	228

Factors that may affect future tax charges

In March 2012 the UK government enacted a change in the UK corporation tax rate from 26% to 24% effective from 1 April 2012.

3. Dividends

	2012 £'000	2011 £'000
2009/10 Final ordinary dividend	-	2,922
2010/11 Final ordinary dividend	587	-
	587	2,922

The directors recommend the payment of a final ordinary dividend of £724,000 for the year ended 31 March 2012 which will be paid during the year ending 31 March 2013.

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2012

4 Fixed assets - Investments in subsidiaries

	£'000
Cost	
At beginning of year	28,042
Acquisitions (note 11)	10,346
At end of year	<u>38,388</u>

The company owns 100% of the ordinary share capital of Johnson Matthey Limited, a company incorporated in Canada, 71.3% of the ordinary share capital of SA Johnson Matthey NV, a company incorporated in Belgium, and 100% of the ordinary share capital of Johnson Matthey Brasil Ltda, a company incorporated in Brazil

The principal activities of the subsidiary undertakings include the refining of and fabrication of products from precious metals and sale of catalysts

5 Debtors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Amounts owed by ultimate parent company	170,365	180,549
	<u>170,365</u>	<u>180,549</u>

6 Creditors: Amounts falling due within one year

	2012 £'000	2011 £'000
Corporation tax payable	255	228
Accruals and deferred income	2	4
	<u>257</u>	<u>232</u>

7 Called up share capital

	Number	£'000
Allotted, called up and fully paid ordinary shares of £1 each		
At beginning and end of year	200,097,095	200,097

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2012

8. Reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of year	7,675	587
Profit for the year	-	724
Dividends (note 3)	-	(587)
At end of year	<u>7,675</u>	<u>724</u>

9 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the year	724	587
Dividends (note 3)	(587)	(2,922)
Movement in shareholders' funds	137	(2,335)
Opening shareholders' funds	208,359	210,694
Closing shareholders' funds	<u>208,496</u>	<u>208,359</u>

10 Related party transactions

As the company is a wholly owned subsidiary of Johnson Matthey Plc, it has taken advantage of the exemption contained in Financial Reporting Standard (FRS) 8 – “Related Party Disclosures” and has not disclosed transactions or balances with entities which form part of the Johnson Matthey group

There were no other related party transactions during the year

11. Acquisitions and disposals

On 5 October 2011 the company acquired 100% of the issued share capital of Johnson Matthey Brasil Ltda for consideration of £10,346,000

12 Ultimate parent company

The company's immediate parent company is Matthey Holdings Limited. Its ultimate parent company is Johnson Matthey Plc. The consolidated accounts of Johnson Matthey Plc are available to the public and may be obtained from 5th Floor, 25 Farringdon Street, London EC4A 4AB