

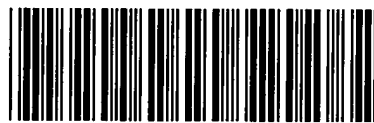
Matthey Finance Limited

Directors' Report and Accounts

For the year ended 31 March 2016

Registered number: 301279

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Matthey Finance Limited

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Matthey Finance Limited

Strategic report

Principal activity

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

Performance during and position at the end of the year and future developments

The company's profit for the year ended 31 March 2016 is £846,000 (2015 £3,910,000). The profit and loss account is set out on page 4. The directors recommend the payment of a final ordinary dividend of £846,000 for the year ended 31 March 2016 which will be paid during the year ending 31 March 2017 (2015 £3,910,000).

Principal risks and uncertainties

Business activity is dependent on the performance of the investments it holds.

By order of the board



S Farrant

Secretary

27 October 2016

Matthey Finance Limited

Directors' report

The directors present their report and audited accounts for the year ended 31 March 2016.

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 2016 is £846,000 (2015 £3,910,000). The profit and loss account is set out on page 4. The directors recommend the payment of a final ordinary dividend of £846,000 for the year ended 31 March 2016 which will be paid during the year ending 31 March 2017 (2015 £3,910,000).

Directors

The directors who served during the year were S Farrant, D G Jones (resigned 31 July 2016) 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 or she 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 2016 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2016 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 or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of Directors responsibilities in respect 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 – Financial Reporting Standard (FRS) 101 – 'Reduced Disclosure Framework' 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 – FRS 101 – 'Reduced Disclosure Framework' have been followed; 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

27 October 2016

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 2016 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 – 'Reduced Disclosure Framework'.

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 set out on page 2, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.



Rebecca Pett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
27 October 2016

Matthey Finance Limited

Profit and loss account

For the year ended 31 March 2016

	Notes	2016 £'000	2015 £'000
Administrative expenses		(3)	(6)
Operating loss		(3)	(6)
Loss on liquidation of investment		-	(20,162)
Income from shares in subsidiaries		-	23,447
Interest receivable from ultimate parent company		767	713
Profit on ordinary activities before taxation	1	764	3,992
Taxation	2	82	(82)
Profit for the year		846	3,910

There were no other recognised gains or losses during the year.

The accompanying notes set out on pages 8 to 10 are an integral part of the accounts.

Matthey Finance Limited

Balance sheet

As at 31 March 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investments in subsidiaries	4	<u>10,346</u>	<u>10,346</u>
Current assets			
Debtors: amounts falling due within one	5	<u>198,278</u>	<u>201,420</u>
Creditors: amounts falling due within one year	6	<u>(6)</u>	<u>(84)</u>
Net current assets		<u>198,272</u>	<u>201,336</u>
Net assets		<u><u>208,618</u></u>	<u><u>211,682</u></u>
Capital and reserves			
Called up share capital	7	200,097	200,097
Share premium account		7,675	7,675
Profit and loss account		846	3,910
Shareholders' funds		<u><u>208,618</u></u>	<u><u>211,682</u></u>

The accounts were approved by the board on 27 October 2016 and signed on its behalf by:

S P Robinson
Director

Company registration number: 301279

The accompanying notes set out on pages 8 to 10 are an integral part of the accounts.

Matthey Finance Limited

Statement of changes in equity

For the year ended 31 March 2016

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2014	200,097	7,675	7,054	214,826
Profit for the year	-	-	3,910	3,910
Total comprehensive income	-	-	3,910	3,910
Dividends paid (note 3)	-	-	(7,054)	(7,054)
At 31 March 2015	200,097	7,675	3,910	211,682
Profit for the year	-	-	846	846
Total comprehensive income	-	-	846	846
Dividends paid (note 3)	-	-	(3,910)	(3,910)
At 31 March 2016	200,097	7,675	846	208,618

The accompanying notes set out on pages 8 to 10 are an integral part of the accounts.

Matthey Finance Limited

Accounting policies

For the year ended 31 March 2016

Basis of preparation

The accounts are prepared in accordance with Financial Reporting Standard (FRS) 101 – ‘Reduced Disclosure Framework’. In preparing these accounts, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions has been taken.

The accounts are prepared on the historical cost basis.

The company has applied the exemptions under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliation for share capital;
- capital management policy;
- related party transactions between the company and the parent and other wholly owned subsidiaries of the Johnson Matthey group;
- disclosures in respect of compensation of key management;
- disclosures in relation to new standards not yet applied; and
- a third balance sheet when restating comparative information.

The company has applied the exemption from consolidation under IAS 27 – ‘Separate Financial Statements’. The ultimate parent company (note 9) prepares accounts that comply with IFRS and have been produced for public use.

These are the company’s first accounts prepared in accordance with FRS 101. On transition, the company has applied IFRS 1 – ‘First-time Adoption of International Financial Reporting Standards’ while ensuring that its assets and liabilities are measured in compliance with FRS 101 for the year ended 31 March 2016, the comparative information for the year ended 31 March 2015 and in preparation of the opening balance sheet at 1 April 2004, the company’s date of transition to FRS 101. There are no changes on transition to FRS 101 to the reported financial position or financial performance of the company.

Foreign currencies

Foreign currency transactions are recorded at the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are retranslated at the exchange rate at the balance sheet date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Interest receivable

Interest receivable is recognised in the profit and loss account in the year incurred.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for impairment. If a distribution is received then the investment is assessed for an indication of impairment.

Taxation

Current tax payable is recognised in the profit and loss account and is the amount of income tax expected to be paid in respect of taxable profits using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2016

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 (2015 £ nil). During the year none of the directors (2015 none) exercised share options in the ultimate parent company and three of the directors (2015 three) 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 £3,000 (2015 £2,000).

2. Taxation

	2016 £'000	2015 £'000
Current tax		
UK corporation tax on profits for the year	-	82
Adjustment for prior years	(82)	-
Total current tax (credit) / charge	(82)	82

No provision for deferred tax is required.

The tax (credit) / charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	764	3,992
Tax charge at UK corporation tax rate of 20% (2015 21%)	153	838
Effects of:		
Taxable profits of controlled foreign company	-	82
Non-taxable dividends	-	(4,924)
Disallowable loss on liquidation of subsidiary	-	4,235
Prior year adjustment	(82)	-
Group relief claimed for nil payment	(153)	(149)
Total tax (credit) / charge for the year	(82)	82

In October 2015 the UK government substantively enacted changes in the UK corporation tax rate from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020.

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2016

3. Dividends

	2016 £'000	2015 £'000
2013/14 Final ordinary dividend	-	7,054
2014/15 Final ordinary dividend	3,910	-
	<u>3,910</u>	<u>7,054</u>

The directors recommend the payment of a final ordinary dividend of £846,000 for the year ended 31 March 2016 which will be paid during the year ending 31 March 2017.

4. Investments in subsidiaries

	£'000
Cost	
At beginning and end of year	<u>10,346</u>

The company owns 100% of the ordinary share capital of Johnson Matthey Brasil Ltda, a company incorporated in Brazil. The principal activities of the subsidiary undertaking include the production and sale of catalysts.

5. Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts owed by ultimate parent company	198,196	201,420
Corporation tax receivable	82	-
	<u>198,278</u>	<u>201,420</u>

6. Creditors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Corporation tax payable	-	82
Accruals and deferred income	6	2
	<u>6</u>	<u>84</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	<u>200,097,095</u>	<u>200,097</u>

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2016

8. Related party transactions

There were no related party transactions during the year other than between the company and other Johnson Matthey group companies.

9. 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.