

Matthey Finance Limited

Annual Report and Accounts

For the year ended 31 March 2019

Registered number: 00301279



Matthey Finance Limited

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Matthey Finance Limited

Strategic report

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

The company's profit for the year ended 31 March 2019 is £838,000 (2018 £9,994,000 loss). In the prior year, the company fully impaired its investment in Johnson Matthey Brasil Ltda, which resulted in an impairment charge of £10,346,000. The income statement is set out on page 6. The directors do not recommend the payment of a final ordinary dividend for the year ended 31 March 2019 (2018 £nil). The net assets of the company at 31 March 2019 were £198,616,000 (31 March 2018 £197,778,000).

Principal risks and uncertainties

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

By order of the board



V Barlow

Company Secretary

6 December 2019

Matthey Finance Limited

Directors' report

The directors present their report and audited accounts for the year ended 31 March 2019.

Principal activities

The company is a holding company for Johnson Matthey Brasil Ltda.

Results and dividends

The company's profit for the year ended 31 March 2019 is £838,000 (2018 £9,994,000 loss). In the prior year, the company fully impaired its investment in Johnson Matthey Brasil Ltda, which resulted in an impairment charge of £10,346,000. The income statement is set out on page 6. The directors do not recommend the payment of a final ordinary dividend for the year ended 31 March 2019 (2018 £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the accounts were S Farrant, A Holford (appointed on 21 August 2018), J C E Tasker (appointed on 16 October 2018) and S P Robinson (resigned on 19 October 2018).

Directors' indemnity

Under a Deed Poll dated 31 January 2017, the ultimate parent company 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 2019 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2019 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 auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

Following an audit tender, PricewaterhouseCoopers LLP were appointed to replace KPMG LLP as auditors for the year ending 31 March 2019. In accordance with sections 485 and 487 of the Companies Act 2006, PricewaterhouseCoopers LLP are re-appointed as auditors of the company.

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

The directors are responsible for preparing the strategic report, 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 (UK Generally Accepted Accounting Practice). 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.

Matthey Finance Limited

Directors' report

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



V Barlow

Company Secretary

6 December 2019

Independent auditors' report to the members of Matthey Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Matthey Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the income statement, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibility of the directors for preparation of the strategic report, the directors' report and the accounts set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

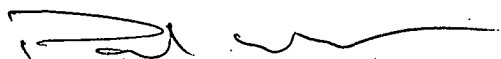
Other required reporting

Companies Act 2006 exception reporting

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Wheeler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 December 2019

Matthey Finance Limited

Income statement

For the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Administrative expenses		(2)	(2)
Operating loss		(2)	(2)
Impairment of investment in subsidiaries	5	-	(10,346)
Finance income from ultimate parent company		<u>1,038</u>	<u>436</u>
Profit/(loss) before taxation		<u>1,036</u>	<u>(9,912)</u>
Income tax expense	3	<u>(198)</u>	<u>(82)</u>
Profit/(loss) for the financial year		<u><u>838</u></u>	<u><u>(9,994)</u></u>

There was no other comprehensive income or expenses during the year.

The accompanying notes set out on pages 9 to 11 are an integral part of the accounts.

Matthey Finance Limited

Balance sheet

As at 31 March 2019

	Notes	2019 £'000	2018 £'000
Assets			
Current assets			
Receivable from ultimate parent company		<u>198,616</u>	<u>197,778</u>
Total current assets		<u>198,616</u>	<u>197,778</u>
Total assets		<u>198,616</u>	<u>197,778</u>
Net assets		<u>198,616</u>	<u>197,778</u>
Equity			
Called up share capital	6	200,097	200,097
Share premium account		7,675	7,675
Accumulated losses		<u>(9,156)</u>	<u>(9,994)</u>
Total equity		<u>198,616</u>	<u>197,778</u>

The accounts were approved by the board on 6 December 2019 and signed on its behalf by:

A Holford
Director



Company registration number: 00301279

The accompanying notes set out on pages 9 to 11 are an integral part of the accounts.

Matthey Finance Limited

Statement of changes in equity

For the year ended 31 March 2019

	Share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
At 1 April 2017	200,097	7,675	465	208,237
Loss for the year	-	-	(9,994)	(9,994)
Dividends paid (note 4)	-	-	(465)	(465)
At 31 March 2018	200,097	7,675	(9,994)	197,778
Profit for the year	-	-	838	838
Total comprehensive income	-	-	838	838
At 31 March 2019	200,097	7,675	(9,156)	198,616

The accompanying notes set out on pages 9 to 11 are an integral part of the accounts.

Matthey Finance Limited

Accounting policies

For the year ended 31 March 2019

Matthey Finance Limited (the “Company”) is a private company limited by shares incorporated, domiciled and registered in England in the United Kingdom. The address of its registered office is 5th Floor, 25 Farringdon street, London, EC4A 4AB.

Basis of preparation

The accounts are prepared on a going concern basis 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 accounting policies have been applied consistently, other than where new policies have been adopted.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 10(d), 38A, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Consolidation

The company is a wholly owned subsidiary of Matthey Holdings Limited and is included in the consolidated financial statements of Johnson Matthey plc which are publicly available (note 8). Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

New standards effective for the current financial year

IFRS 9 ‘Financial Instruments’ is a new accounting standard effective for the year ended 31 March 2019 and has had no material impact on the company.

Critical accounting estimates and judgements

There are no critical accounting estimates and judgements.

Finance income

Finance income is recognised in the income statement in the year incurred.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for impairment.

Taxation

Current tax is recognised in the income statement 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 2019

1. Audit fee

Audit fees payable to the company's auditors for the audit of the company's annual accounts were £2,000 (2018 £2,000).

2. Directors remuneration

The directors are remunerated by the ultimate parent company. No remuneration was paid to the directors in respect of services to this company (2018 £ nil). During the year none of the directors (2018 none) exercised share options in the ultimate parent company and four of the directors (2018 two) received shares under the ultimate parent company long term incentive plan.

3. Tax expense

	2019 £'000	2018 £'000
Income tax expense		
UK corporation tax on profits for the year	197	82
Adjustment for prior years	1	-
Tax expense	198	82

No provision for deferred tax is required.

The tax charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2019 £'000	2018 £'000
Profit/(loss) before tax	1,036	(9,912)
Tax expense/(credit) at UK corporation tax rate of 19% (2018 19%)	197	(1,883)
Effects of:		
Expenses not deductible for tax purposes	-	1,965
Adjustments for prior years	1	-
Tax expense	198	82

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2019

4. Dividends

	2019 £'000	2018 £'000
2016/17 Final ordinary dividend (£0.002p per ordinary share)	-	465
	-	465

The directors do not recommend the payment of a final ordinary dividend for the year ended 31 March 2019.

5. Investments in subsidiaries

In the year ended 31 March 2018, the company fully impaired its investment in Johnson Matthey Brasil Ltda from £10,346,000 to nil.

At 31 March 2019 the subsidiaries were:
(unless otherwise stated the subsidiaries are 100% owned)

Entity	Registered Address
<i>Owned directly</i>	
Johnson Matthey Brasil Ltda	Avenida Macuco, 726, 12th Floor, Edificio International Office, CEP04523-001, Brazil
Johnson Matthey (Nominees) Limited (1%)	5th Floor, 25 Farringdon Street, London, EC4A 4AB, England
Johnson Matthey Catalysts LLC (1%)	1 Transportny Proezd, 660027 Krasnoyarsk, Russia

6. Called up share capital

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

7. Related party transactions

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

8. Ultimate parent company

The company's immediate parent company is Matthey Holdings Limited. Its ultimate parent company and the smallest and largest group to consolidate these accounts 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.