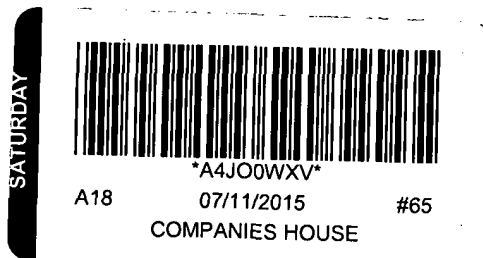


Johnson Matthey Battery Systems Engineering Limited

Directors' Report and Accounts

For the year ended 31 March 2015

Registered number: 3460977



Johnson Matthey Battery Systems Engineering Limited

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Johnson Matthey Battery Systems Engineering Limited

Directors' report

The directors present their report and audited accounts for the year ended 31 March 2015.

Principal activity

The principal activity of the company is the design of battery management systems and large lithium ion batteries. The batteries are manufactured by Johnson Matthey Battery Systems Limited, a fellow subsidiary of AG Holding Limited.

Results and dividends

The company's profit for the year ended 31 March 2015 is £149,000 (2014 £293,000). The profit and loss account is set out on page 3. The directors do not recommend the payment of a final ordinary dividend for the year ended 31 March 2015 (2014 £ nil).

Directors

The directors who served during the year were R E Doe (resigned 26 January 2015), M R Green, A M-G Risse (appointed 26 January 2015) 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 2015 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2015 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 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

19 October 2015

Independent auditor's report to the members of Johnson Matthey Battery Systems Engineering Limited

We have audited the accounts of Johnson Matthey Battery Systems Engineering Limited for the year ended 31 March 2015 set out on pages 3 to 9. 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 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 2015 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.

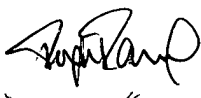
Opinion on other matter prescribed by the Companies Act 2006

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG
26 October 2015

Johnson Matthey Battery Systems Engineering Limited

Profit and loss account

For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Turnover		1,952	1,996
Cost of sales		<u>(1,445)</u>	<u>(1,308)</u>
Gross profit		507	688
Research and development costs		(224)	(171)
Administrative expenses		<u>(183)</u>	<u>(257)</u>
Profit on ordinary activities before taxation	1	100	260
Taxation	3	<u>49</u>	<u>33</u>
Profit for the year	9	<u>149</u>	<u>293</u>

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

The accompanying notes are an integral part of the accounts.

Johnson Matthey Battery Systems Engineering Limited

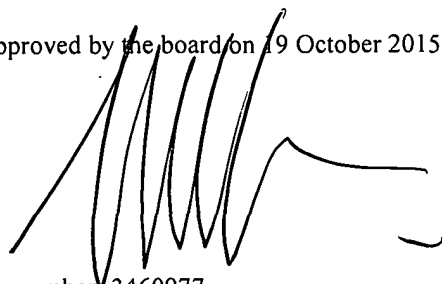
Balance sheet

As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Current assets			
Debtors: due within one year	4	2,050	2,165
Cash at bank and in hand		341	129
		<u>2,391</u>	<u>2,294</u>
Creditors: amounts falling due within one year	5	<u>(13,130)</u>	<u>(13,182)</u>
Net current liabilities		<u>(10,739)</u>	<u>(10,888)</u>
Net liabilities		<u>(10,739)</u>	<u>(10,888)</u>
Capital and reserves			
Called up share capital	7	915	915
Share premium account	8	5,923	5,923
Profit and loss account	8	<u>(17,577)</u>	<u>(17,726)</u>
Shareholders' deficit	9	<u>(10,739)</u>	<u>(10,888)</u>

The accounts were approved by the board on 19 October 2015 and signed on its behalf by:

S P Robinson
Director



Company registration number: 3460977

The accompanying notes are an integral part of the accounts.

Johnson Matthey Battery Systems Engineering Limited

Accounting policies

For the year ended 31 March 2015

Accounting convention

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

Basis of preparation

The going concern basis has been adopted as the ultimate parent company (note 12) has indicated its intention to continue to fund the business for the foreseeable future.

The company is exempt from the requirement of Financial Reporting Standard (FRS) 1 (Revised) – “Cash Flow Statements” to present a cash flow statement because it is a wholly owned subsidiary of Johnson Matthey Plc which prepares consolidated accounts that are publicly available (note 12).

Turnover

Turnover comprises all sales of goods and services at the fair value of the right to consideration exclusive of discounts and sales taxes. Turnover is recognised when the significant risks and rewards of ownership are transferred to the customer. This occurs when the goods are despatched or made available to the customer.

Foreign currencies

Transactions in foreign currencies during the period 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.

Research and development expenditure

Expenditure is charged to the profit and loss account in the year in which it is incurred.

Taxation

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

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date and which could give rise to an obligation to pay more or less tax in the future.

Pensions

The company operates a defined contribution scheme. The cost of the company's contributions to this scheme is charged to the profit and loss account as incurred.

Johnson Matthey Battery Systems Engineering Limited

Notes to the accounts

For the year ended 31 March 2015

1. Profit on ordinary activities before taxation

S P Robinson is remunerated by the ultimate parent company. A M-G Risse, R E Doe and M R Green are remunerated by another group company. No remuneration was paid to these directors in respect of services to this company (2014 £ nil).

During the year none of the directors (2014 one) exercised share options in the ultimate parent company and three of the directors (2014 two) 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 are borne by Johnson Matthey Battery Systems Limited.

2. Employee costs and numbers

	2015 £'000	2014 £'000
Aggregate remuneration comprised:		
Wages and salaries	1,268	1,244
Social security costs	178	155
Pensions costs (note 11)	163	153
	<u>1,609</u>	<u>1,552</u>
	2015 Number	2014 Number
Average monthly number of employees:		
Research and development	<u>26</u>	<u>29</u>

Johnson Matthey Battery Systems Engineering Limited

Notes to the accounts

For the year ended 31 March 2015

3. Taxation

Analysis of tax credit for the year	2015 £'000	2014 £'000
Current tax		
Adjustment for prior years on UK corporation tax profits	(50)	(28)
Total current tax credit	<u>(50)</u>	<u>(28)</u>
Deferred tax		
Origination and reversal of timing differences	1	1
Recognition of previously unrecognised tax assets	-	(7)
Impact of change in tax rates	-	1
Total deferred tax charge / (credit)	<u>1</u>	<u>(5)</u>
Total taxation credit	<u>(49)</u>	<u>(33)</u>

Factors affecting tax credit for the year	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	<u>100</u>	<u>260</u>
Tax credit at UK corporation tax rate of 21% (2014 23%)	21	60
Effects of:		
Capital allowances greater than depreciation	(1)	(2)
Relief for brought forward losses	(20)	(58)
Adjustments for prior years	<u>(50)</u>	<u>(28)</u>
Current tax credit for the year	<u>(50)</u>	<u>(28)</u>

The benefit of tax losses has been surrendered to fellow Johnson Matthey subsidiaries for a consideration of £50,000 which will be received during the year ending 31 March 2016.

Factors that may affect future tax charges

In July 2013 the government enacted a change in the UK corporation tax rate from 21% to 20% effective from 1 April 2015 and so the deferred tax balances have been recalculated at the new rate.

Johnson Matthey Battery Systems Engineering Limited

Notes to the accounts

For the year ended 31 March 2015

8. Reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of the year	5,923	(17,726)
Profit for the year	-	149
At end of year	<u>5,923</u>	<u>(17,577)</u>

9. Reconciliation of movements in shareholders' deficit

	2015 £'000	2014 £'000
Profit for the year	<u>149</u>	<u>293</u>
Movement in shareholders' deficit	<u>149</u>	<u>293</u>
Opening shareholders' deficit	<u>(10,888)</u>	<u>(11,181)</u>
Closing shareholders' deficit	<u>(10,739)</u>	<u>(10,888)</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.

11 Retirement Benefits

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in funds under the control of a separate investment management company. The cost of the company's contributions to the scheme for the year ended 31 March 2015 amounted to £163,000 (year ended 31 March 2014 £153,000).

12. Ultimate parent company

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