

Tracerco Limited

Directors' Report and Accounts

For the year ended 31 March 2011

Registered number 4496566

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Tracerco Limited

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Tracerco Limited

Directors' report

The directors present their report and audited accounts for the year ended 31 March 2011

Principal activity

On 29 May 2009 the company acquired the Tracerco business from Johnson Matthey Plc for consideration of £56,620,000. The company is an industrial technology company providing specialised detection, diagnostic and measurement solutions for the oil and gas industries.

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

This was a difficult trading year for Tracerco as low trading volumes continued. Whilst the global economy started to slowly recover from recession, oil companies gradually reignited their capital expenditure plans, but these purchases only started to materialise in any volume towards the end of the year. Conversely however, the process diagnostics business reacted more quickly to market conditions, experiencing an upturn with sales up 9% on the prior year. With equipment sales improving, process diagnostics sales back at pre-recession levels and new products launching into the market in the next financial year, the conditions are much more favourable for the company to be more profitable going forward. The return on sales excluding goodwill amortisation was 2.5% (2010 3.9%).

At the end of the year the business had net assets of £36,158,000 (2010 £32,915,000) excluding funding from its parent company (note 19). As a result, the annualized return on assets was 2.3% (2010 2.5%) excluding goodwill amortisation.

Principal risks and uncertainties

Business activity varies with the price of the oil. If oil prices fall, or the global recession continues, this could have a significant effect on income streams.

The business operates globally. Changes in legislation and political conditions around the world can impact on the business due to the nature of the work carried out and the various countries in which the business operates.

Results and dividends

The company's loss for the year ended 31 March 2011 is £271,000 (2010 £47,000). The profit and loss account is set out on page 4.

The directors do not recommend payment of a dividend for the year ended 31 March 2011 (2010 £ nil).

Donations

The company contributed £1,000 (2010 £ nil) to charitable organisations, of which £1,000 (2010 £ nil) was in the UK. No political contributions were made (2010 £ nil).

Directors

The directors who served during the year were S Farrant, R J MacLeod (appointed 28 June 2010), G L McGregor, S P Robinson, and N Whitley.

Directors' indemnity

Under Deed Polls 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. These provisions were in force during the year ended 31 March 2011 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2011 and remain in force for the benefit of all persons who are directors of the subsidiaries at the date when this report was approved.

Policy on payment of commercial debts

Johnson Matthey's group policy in relation to the payment of suppliers (set out in the Group Control Manual, which is distributed to all group operations) is that payment should be made within the credit terms agreed with the supplier, subject to the supplier having performed its obligations under the relevant contract. At 31 March 2011 the company's level of creditor days was 37 days (2010 33 days), calculated by reference to amounts outstanding as trade creditors at the end of the year and amounts invoiced by suppliers during the year.

Tracerco Limited

Directors' report

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 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 auditors are 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 judgements 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

2 December 2011

Independent auditor's report to the members of Tracerco Limited

We have audited the accounts of Tracerco Limited for the year ended 31 March 2011 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 auditors' 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 auditors

As explained more fully in the directors' responsibilities statement 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 (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 2011 and of its loss 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.

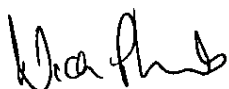
Opinion on other matter prescribed by the Companies Act 2006

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.



Nick Plumb (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

Quayside House 110 Quayside

Newcastle upon Tyne

NE1 3DX

2 December 2011

Tracerco Limited

Profit and loss account

For the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Turnover	1	24,796	22,993
Cost of sales		(10,265)	(11,591)
Gross profit		14,531	11,402
Selling and distribution costs		(12,404)	(8,567)
Research and development costs		(841)	(645)
Administrative expenses		(1,736)	(2,015)
Operating (loss) / profit		(450)	175
Interest payable to ultimate parent company		(103)	(188)
Loss on ordinary activities before taxation	2	(553)	(13)
Taxation	5	282	(34)
Loss for the year	14	(271)	(47)

There were no other recognised gains or losses during the year

The accompanying notes are an integral part of the accounts

Tracerco Limited

Balance sheet

As at 31 March 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible fixed assets	6	4,101	3,362
Goodwill	7	19,629	20,710
		<u>23,730</u>	<u>24,072</u>
Current assets			
Stocks	8	1,359	1,438
Debtors	9	18,420	9,322
Cash at bank and in hand		1,427	696
		<u>21,206</u>	<u>11,456</u>
Creditors' amounts falling due within one year	10	<u>(45,254)</u>	<u>(35,434)</u>
Net current liabilities		<u>(24,048)</u>	<u>(23,978)</u>
Total assets less current liabilities		(318)	94
Provisions for liabilities and charges	11	-	(141)
Net liabilities		<u>(318)</u>	<u>(47)</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>(318)</u>	<u>(47)</u>
Shareholders' funds		<u>(318)</u>	<u>(47)</u>

The accounts were approved by the board on 2 December 2011 and signed on its behalf by



R J MacLeod
Director

Company registration number 4496566

The accompanying notes are an integral part of the accounts

Tracerco Limited

Accounting policies

For the year ended 31 March 2011

Accounting convention

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

Basis of preparation

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 19)

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 goods are despatched or made available to the customer or by reference to the stage of completion of the service being rendered

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion. This is measured by the proportion that contract costs incurred to date bear to the estimated total contract costs

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately

Research and development expenditure

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

Goodwill

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over the estimated useful economic life, which is considered to be 20 years

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are translated at rates prevailing at the balance sheet date or, if appropriate, at the forward contract rate

Leases

Rentals under operating leases are expensed as incurred

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each tangible asset on a straight line basis over its estimated useful life. The estimated useful lives vary according to the class of asset but are typically 30 years (or the life of the lease if shorter) for leasehold improvements, 5 to 10 years for plant and machinery and 3 to 10 years for fixtures, fittings and equipment

Tracerco Limited

Accounting policies

For the year ended 31 March 2011

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items.

Derivatives

Gains and losses arising from forward currency contracts used to reduce exchange rate exposure are recognised when the relevant sale or purchase is recorded in the profit and loss account.

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.

Share-based payments

The fair value of outstanding share options in the ultimate parent company granted to employees and shares allocated under the ultimate parent company's long term incentive plan after 7 November 2002 is calculated using an adjusted Black-Scholes options valuation model and the resulting cost is charged to the profit and loss account over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting where appropriate.

Pensions

The company operates a defined contribution scheme and is included in the ultimate parent company's defined benefit scheme. The cost of the company's contributions to these schemes is charged to the profit and loss account as incurred.

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

1. Segmental information	2011	2010
	£'000	£'000
<u>Turnover</u>		
United Kingdom	7,787	4,985
Continental Europe	6,525	4,228
Asia and the Middle East	3,327	6,964
Central and South America	2,716	2,403
Rest of World	4,441	4,413
	24,796	22,993
2. Loss on ordinary activities before taxation	2011	2010
	£'000	£'000
Loss on ordinary activities before taxation is arrived after charging		
Depreciation of tangible fixed assets - owned	829	590
Amortisation of goodwill	1,081	900
Fees payable to the company's auditor for the audit of the annual accounts	34	37
Operating lease rentals - land and buildings	207	175
3. Employee costs and numbers	2011	2010
	£'000	£'000
Aggregate remuneration comprised		
Wages and salaries	7,015	5,236
Social security costs	683	502
Pensions costs (note 18)	1,221	1,045
Share-based payments (note 17)	296	179
	9,215	6,962
	2011	2010
	Number	Number
Average monthly number of employees		
Production	79	69
Sales and distribution	11	7
Research and development	35	29
Administration	22	19
	147	124

The employee numbers and costs above include all employees who work for and are paid by the company, including certain employees whose contracts of service are with the ultimate parent company (note 19)

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

4. Directors' remuneration

The directors were remunerated by the ultimate parent company and details of their remuneration are disclosed in that company's annual report (note 19). No remuneration (2010 £ nil) was paid to these directors in respect of services to this company. During the year one of the directors (2010 three) exercised share options in the ultimate parent company and none of the directors (2010 two) received shares under the ultimate parent company long term incentive plan.

5. Taxation

Analysis of tax credit for the year	2011 £'000	2010 £'000
Current tax		
UK corporation tax charge on profits for the year	-	37
Adjustment for prior years to UK corporation tax charge	28	-
Adjustment for prior years to foreign taxation on profits	(304)	-
Foreign taxation on profits for the year	179	16
Total current tax (credit) / charge	(97)	53
Deferred tax		
Origination and reversal of timing differences	(204)	(19)
Changes in tax rates and laws	3	-
Adjustment for prior years	16	-
Total deferred tax credit	(185)	(19)
Total taxation (credit) / charge	(282)	34
Factors affecting tax credit for the year	2011 £'000	2010 £'000
Loss on ordinary activities before taxation	(553)	(13)
Tax credit at UK corporation tax rate of 28% (2010 28%)	(155)	(4)
Effects of		
Capital allowances less than depreciation	182	29
Expenses not deductible for tax purposes	152	42
Other short term timing differences	-	(14)
Adjustments for prior years	(276)	-
Current tax (credit) / charge for the year	(97)	53

Factors that may affect future tax charges

In March 2011 the UK government enacted a change in the UK corporation tax rate from 28% to 26% effective from 1 April 2011. The UK deferred tax balances at 31 March 2011 have been recalculated at the new rate.

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

6. Tangible fixed assets

	Leasehold improvements £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At beginning of year	443	2,695	814	3,952
Additions	91	1,059	418	1,568
At end of year	<u>534</u>	<u>3,754</u>	<u>1,232</u>	<u>5,520</u>
Depreciation				
At beginning of year	26	416	148	590
Charge for the year	62	557	210	829
At end of year	<u>88</u>	<u>973</u>	<u>358</u>	<u>1,419</u>
Net book value at 31 March 2011	<u>446</u>	<u>2,781</u>	<u>874</u>	<u>4,101</u>
Net book value at 31 March 2010	<u>417</u>	<u>2,279</u>	<u>666</u>	<u>3,362</u>

7. Goodwill

	Goodwill £'000
Cost	
At beginning and end of year	<u>21,610</u>
Amortisation	
At beginning of year	900
Charge for the year	<u>1,081</u>
At end of year	<u>1,981</u>
Net book value at 31 March 2011	<u>19,629</u>
Net book value at 31 March 2010	<u>20,710</u>

8. Stocks

	2011 £'000	2010 £'000
Work in progress	1,347	1,335
Finished goods	<u>12</u>	<u>103</u>
	<u>1,359</u>	<u>1,438</u>

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

9. Debtors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade debtors	4,096	3,728
Amounts recoverable on contracts	2,800	2,210
Amounts owed by ultimate parent company	6,034	-
Amounts owed by other Johnson Matthey group companies	3,115	2,817
Deferred tax asset (note 11)	44	-
Corporation tax receivable	-	99
Other debtors	132	188
Prepayments and accrued income	2,199	280
	18,420	9,322

10. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	737	963
Amounts owed to other Johnson Matthey group companies	55	287
Loans from ultimate parent company	43,934	33,658
Amounts owed to ultimate parent company	221	282
Corporation tax payable	28	-
Other creditors	14	22
Accruals and deferred income	265	222
	45,254	35,434

11. Deferred taxation

		Deferred taxation liability / (asset) £'000
At beginning of year		141
Credit for the year		<u>(185)</u>
At end of year		<u><u>(44)</u></u>
	2011	2010
	£'000	£'000
Timing differences on fixed assets	(20)	159
Other	<u>(24)</u>	<u>(18)</u>
	(44)	141

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

12. Called up share capital

	Number	£'000
Allotted, called up and fully paid ordinary shares of £1 each		
At beginning and end of year	<u>2</u>	<u>-</u>

13. Reserves

	Profit and loss account £'000
At beginning of year	(47)
Share-based payments	296
Cash paid in relation to share-based payments	(296)
Loss for the year	<u>(271)</u>
At end of year	<u>(318)</u>

14. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Loss for the year	(271)	(47)
Share-based payments	296	179
Cash paid in relation to share-based payments	<u>(296)</u>	<u>(179)</u>
Movement in shareholders' funds	<u>(271)</u>	<u>(47)</u>
Opening shareholders' funds	<u>(47)</u>	<u>-</u>
Closing shareholders' funds	<u>(318)</u>	<u>(47)</u>

15. 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

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

16. Financial commitments

Capital commitments

	2011 £'000	2010 £'000
Contracted but not provided for	<u>53</u>	<u>175</u>

Leases

	2011 £'000	2010 £'000
Annual commitments under non-cancellable operating leases expiring		
within 2 - 5 years - land and buildings	145	160
more than 5 years - land and buildings	<u>65</u>	<u>15</u>
	<u>210</u>	<u>175</u>

17. Share-based payments

Share Options

Equity settled share options in the ultimate parent company were granted to employees at the average of the market value of the ultimate parent company's shares over the three days prior to the date of the grant and were subject to performance targets over a three year period and have a maximum life of ten years. The number of shares over which options were granted was based on a percentage of the employee's salary. In 2007 a new long term incentive plan was introduced and allocations of shares under this plan replaced the granting of share options. No share options have been granted since the year ended 31 March 2007.

Options granted in 2004 to 2006 were subject to a minimum three year performance target of earnings per share of the ultimate parent company (EPS) growth of UK RPI plus 3% per annum. Other performance targets were EPS growth of UK RPI plus 4% per annum and EPS growth of UK RPI plus 5% per annum. The targets for options granted in 2004, 2005 and the 3% and 4% targets for options granted in 2006 have been met and so these options are exercisable. The 5% target for options granted in 2006 was not met and so these options have lapsed. Gains are capped at 100% of the grant price.

Options granted in 2001 to 2003 can only be exercised if the normalised EPS has grown by at least UK RPI plus 4% per annum over any three consecutive years during the life of the options. They were subject to annual retesting until they lapse on the tenth anniversary of grant. Since the targets have been met all these options are exercisable.

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

17. Share-based payments (continued)

Long term incentive plan (LTIP)

Under the LTIP, shares are allocated to directors, senior managers and middle managers based on a percentage of salary and are subject to performance targets over a three year period. At 31 March 2011, shares allocated in 2008, 2009 and 2010 (at 31 March 2010, shares allocated in 2007, 2008 and 2009) were outstanding in respect of which the performance period has not expired. The minimum release of 15% of the allocation is subject to the achievement of EPS growth of 6% compound per annum over the three year period. For the maximum release of 100% of the allocation, EPS must have grown by at least 15% compound per annum. The number of allocated shares released will vary on a straight line basis between these points. Allocations will lapse if the EPS growth is less than 6% compound per annum over the three year period. For the shares allocated in 2009 only, the performance conditions have been relaxed and so the minimum release requires EPS growth of 3% compound per annum and the maximum release requires EPS growth of 10% compound per annum. The performance target relating to shares allocated in 2007 was not achieved and therefore this allocation expired during the year.

Share incentive plan (SIP)

Under the SIP, all employees with at least one year of service within the Johnson Matthey Plc group and who are employed by a participating group company are entitled to contribute up to 2.5% of basic pay each month, subject to a £125 per month limit. The SIP trustees buy shares (partnership shares) at market value each month with the employees' contributions. For each partnership share purchased, the group purchases two shares (matching shares) which are allocated to the employee. If the employee sells or transfers partnership shares within three years from the date of allocation, the linked matching shares are forfeited.

Activity relating to share options was

	2011		2010	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at the start of the year	12,549	1,163.77	-	-
Transferred during the year	-	-	29,760	1,150.00
Lapsed during the year	-	-	(2,367)	1,282.00
Exercised during the year	(373)	836.80	(14,844)	1,117.31
Outstanding at the end of the year	12,176	1,173.79	12,549	1,163.77
Exercisable at the end of the year	12,176	1,173.79	12,549	1,163.77

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

17. Share-based payments (continued)

Options were exercised on a regular basis throughout the year. The average share price during the year was 1,787.40 pence (2010 1,412.25 pence).

Details of share options outstanding at the end of the year are

	2011		2010	
	Number of options	Weighted average remaining life years	Number of options	Weighted average remaining life years
Range of exercise price				
800 pence to 900 pence	-	-	373	2.8
1,000 pence to 1,100 pence	6,215	4.3	6,215	5.3
1,200 pence to 1,300 pence	5,961	5.3	5,961	6.3
	<u>12,176</u>	<u>4.8</u>	<u>12,549</u>	<u>5.7</u>

The fair value of the shares allocated during the year under the LTIP was 1,523.6 pence per share allocation (2010 1,138.9 pence per share allocation). The fair value was based on the share price at the date of allocation of 1,636.0 pence (2010 1,245.0 pence) adjusted for the present value of the expected dividends that will not be received at an expected dividend rate of 2.38% (2010 2.98%).

Activity relating to the LTIP was

	2011 Number of allocated shares	2010 Number of allocated shares
Outstanding at the start of the year	18,977	-
Transferred during the year	-	7,687
Allocated during the year	8,707	11,290
Expired during the year	(3,723)	-
Outstanding at the end of the year	<u>23,961</u>	<u>18,977</u>

10,936 (2010 12,094) matching shares under the SIP were allocated to employees during the year. They are nil cost awards on which performance conditions are substantially completed at the date of grant. Consequently the fair value of these awards is based on the market value of the shares at that date.

The total expense recognised during the year in respect of equity settled share-based payments, taking into account expected lapses due to leavers and the probability that EPS performance conditions will not be met, was £296,000 (2010 £179,000).

Tracerco Limited

Notes to the accounts

For the year ended 31 March 2011

18. Retirement Benefits

The company is included in the Johnson Matthey Employees Pension Scheme which is mainly of the defined benefit type. The scheme includes employees of several companies in the Johnson Matthey Plc group. Consequently, the company is unable to identify its share of the underlying assets and liabilities and so the company accounts for its contributions to the scheme as if it were a defined contribution scheme. The cost of the company's contributions to the scheme for the year ended 31 March 2011 amounted to £1,065,000 (2010 £1,014,000). At 31 March 2011, under International Accounting Standard (IAS) 19 – 'Employee Benefits', the scheme had a deficit of £60.6 million (2010 £156.9 million) and contributions should continue at a similar rate. The company also makes payments to employees' personal pension plans. The amount recognised as an expense for defined contribution schemes amount to £156,000 (2010 £31,000).

19. Ultimate parent company

The company's immediate and 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.

20. Derivatives not included at fair value

The company uses derivatives to hedge its exposures to changes in foreign currency exchange rates. At the end of the year the company had derivatives not included in the accounts with a fair value of an asset of £106,000 (2010 a liability of £208,000).