

Matthey Finance Limited

Annual Report and Accounts

For the year ended 31 March 2020

Registered number: 00301279

Matthey Finance Limited

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Matthey Finance Limited

Strategic report

Principal activities

The company is a holding company for Johnson Matthey Brasil Ltda. The directors expect the business to continue as a holding company for the foreseeable future.

Performance during and position at the end of the year

The company's profit for the year ended 31 March 2020 is £945,000 (2019: £838,000). During the year ended 31 March 2020, the company received no dividends from subsidiaries (2019: £nil). The income statement is set out on page 6. The net assets of the company at 31 March 2020 were £199,561,000 (2019: £198,616,000).

Principal risks and uncertainties

The company's principal financial assets are Intercompany Loans owed by the Ultimate Parent Company. The company therefore has credit risk attributable to the Amounts receivable from Ultimate Parent Company.

Section 172 statement

The directors consider that they have acted, in good faith, in a way that is most likely to promote the long-term success of the company for the benefit of its members as a whole. In doing so, the board considers the interest of a range of stakeholders impacted by the business, as well as its duties as set out in law. This statement details how the directors have discharged their duties under section 172 of the Companies Act 2006 during the year under review.

For each matter which comes before the board, stakeholders who may be affected are identified and their interest considered as part of the board's decision process. The board is mindful of the group's governance framework and ensures compliance with this as well as upholding the values and ethical standards set by the group. The board utilises some of the wider group policies and practices to ensure effective stakeholder engagement, and to ensure that the directors' obligations to its shareholder and to its stakeholders are met. Details of the group's stakeholder engagement can be found on pages 28 to 31 of Johnson Matthey Plc, the company's ultimate shareholder, 2020 Annual Report and Accounts which are available to view online at www.matthey.com/AR20.


The company has no employees. The staff that support the company are mostly employed by the ultimate shareholder, Johnson Matthey Plc.

The board recognises the importance of fostering good business relationships with suppliers, and the board continues to work with management to ensure the company treats suppliers fairly and in line with Group Procurement Policies.

The company plays an active role in the local community and the group's initiatives are designed to empower our employees to have a positive impact on their local communities. The board and management are supported by the group's corporate social responsibility committees and community ambassadors who facilitate volunteering in local communities and engagement on specific topics.

The ultimate shareholder is Johnson Matthey Plc and there is ongoing communication and engagement with the Johnson Matthey Plc board and its relevant committees.

On behalf of the board

DocuSigned by:

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K Hayzen-Smith

Director

15 January 2021

Matthey Finance Limited

Directors' report

The directors of Matthey Finance Limited (the "company") present their report and audited accounts for the year ended 31 March 2020.

Results and dividends

The company's profit for the year ended 31 March 2020 is £945,000 (2019: £838,000). 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 2020 (2019: £nil). The directors expect the business to continue as a holding company for the foreseeable future. The company does not have any employees.

Financial risk management

The company's activities expose it to certain financial risks including credit risk, liquidity risk and cash flow risk.

Credit risk

The company's principal financial assets are Intercompany Loans owed by the Ultimate Parent Company. The company's credit risk is primarily attributable to the Amounts receivable from Ultimate Parent Company. Counterparties are assessed against the appropriate credit ratings, trading experience and market position. Credit limits are then defined and exposures monitored against these limits.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the company uses short-term loans from group companies.

Cash flow risk

There is minimal cash flow risk to the company given the nature of its activities.

Going concern

The company has net current assets of £199,561,000 as at 31 March 2020. This relates to amounts due from other Group undertakings, these amounts have been assessed for recoverability and deemed to be recoverable. Consequently, the directors have prepared the accounts on a going concern basis.

Directors

The directors of the company who were in office during the year and up to the date of signing the accounts were K Hayzen-Smith (appointed 28 February 2020), A Holford (resigned 31 January 2020), J C E Tasker and S Farrant (resigned 31 March 2020).

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 2020 for the benefit of all persons who were directors of the subsidiaries at any time during the year ended 31 March 2020 and remain in force for the benefit of all persons who are directors of the subsidiaries at the date when this report was approved.

Independent auditors

In accordance with sections 485 and 487 of the Companies Act 2006, PricewaterhouseCoopers LLP are re-appointed as auditors of the company.

Matthey Finance Limited

Directors' report

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the accounts

The directors are responsible for preparing the directors' Report and the accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

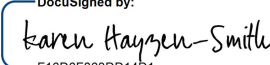
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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.

This Directors' report has been prepared in accordance with the provisions of Section 415A of the Companies Act 2006. The directors have also taken advantage of Section 414B of the Companies Act 2006, exempting the requirement to prepare a strategic report.

The accounts on pages 6 to 11 were approved by the board and signed on its behalf by

DocuSigned by:

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K Hayzen-Smith

Director

15 January 2021

Independent auditor's 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 2020 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 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 2020 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.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the accounts, 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
15 January 2021

Matthey Finance Limited

Income statement

For the year ended 31 March 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|-------------------|-------------------|
| Administrative expenses | | <u>(2)</u> | <u>(2)</u> |
| Operating loss | | (2) | (2) |
| Finance income from ultimate parent company | | <u>1,169</u> | <u>1,038</u> |
| Profit before taxation | | 1,167 | 1,036 |
| Income tax expense | 4 | <u>(222)</u> | <u>(198)</u> |
| Profit for the financial year | | <u>945</u> | <u>838</u> |

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

The accompanying notes set out on pages 10 to 11 are an integral part of the accounts.

Matthey Finance Limited

Balance sheet

As at 31 March 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|------------------------------------|-------|----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 5 | - | - |
| Current assets | | | |
| Amounts owed by group undertakings | | <u>199,565</u> | <u>198,616</u> |
| Total current assets | | <u>199,565</u> | <u>198,616</u> |
| Total assets | | <u>199,565</u> | <u>198,616</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Amounts owed to group undertakings | 6 | <u>(4)</u> | <u>-</u> |
| Total liabilities | | <u>(4)</u> | <u>-</u> |
| Net assets | | <u>199,561</u> | <u>198,616</u> |
| Equity | | | |
| Called up share capital | 7 | <u>200,097</u> | <u>200,097</u> |
| Share premium account | | <u>7,675</u> | <u>7,675</u> |
| Accumulated losses | | <u>(8,211)</u> | <u>(9,156)</u> |
| Total equity | | <u>199,561</u> | <u>198,616</u> |

The accounts on pages 6 to 11 were approved by the board on 15 January 2021 and signed on its behalf by:

DocuSigned by:

 F16D6F863DD14D1...
K Hayzen-Smith
 Director

Company registration number: 00301279

The accompanying notes set out on pages 10 to 11 are an integral part of the accounts.

Matthey Finance Limited

Statement of changes in equity

For the year ended 31 March 2020

| | Share capital £'000 | Share premium account £'000 | Accumulated losses £'000 | Total equity £'000 |
|-------------------------------|---------------------------|--------------------------------------|--------------------------------|-----------------------|
| At 1 April 2018 | 200,097 | 7,675 | (9,994) | 197,778 |
| Profit for the financial year | - | - | 838 | 838 |
| At 31 March 2019 | 200,097 | 7,675 | (9,156) | 198,616 |
| Profit for the financial year | - | - | 945 | 945 |
| At 31 March 2020 | 200,097 | 7,675 | (8,211) | 199,561 |

The accompanying notes set out on pages 10 to 11 are an integral part of the accounts.

Matthey Finance Limited

Accounting policies

For the year ended 31 March 2020

Matthey Finance Limited 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 in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The accounts are prepared under the historical cost convention and financial liabilities are measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The accounting policies have been applied consistently, other than where new policies have been adopted.

The company has net current assets of £199,561,000 as at 31 March 2020. This relates to amounts due from other Group undertakings, these amounts have been assessed for recoverability and deemed to be recoverable. Consequently, the directors have prepared the accounts on a going concern basis.

The following exemptions from the requirements of IFRS have been applied in the preparation of these accounts, in accordance with FRS 101:

- the requirements of paragraphs 10(d), 38A, 38B, 40A, 40B, 40C, 40D, 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.

Functional and presentation currency

Items included in the accounts of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The accounts are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Exemption from preparing consolidated accounts

The accounts contain information about Matthey Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of its parent, Johnson Matthey Plc.

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 2020

1. Audit fee

Audit fees payable to the company's auditors for the audit of the company's annual accounts were £2,000 (2019: £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 (2019: £nil). During the year none of the directors (2019: none) exercised share options in the ultimate parent company and three of the directors (2019: four) received shares under the ultimate parent company long term incentive plan.

3. Critical accounting estimates and judgements

There are no critical accounting estimates and judgements.

4. Income tax expense

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Income tax expense | | |
| UK corporation tax on profits for the year | 222 | 197 |
| Adjustment for prior years | - | 1 |
| Tax expense | <u>222</u> | <u>198</u> |

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:

| | 2020 £'000 | 2019 £'000 |
|---|-------------------|-------------------|
| Profit/(loss) before tax | <u>1,167</u> | <u>1,036</u> |
| Tax expense/(credit) at UK corporation tax rate of 19% (2019 19%) | 222 | 197 |
| Effects of: | | |
| Adjustments for prior years | <u>-</u> | <u>1</u> |
| Tax expense | <u><u>222</u></u> | <u><u>198</u></u> |

Matthey Finance Limited

Notes to the accounts

For the year ended 31 March 2020

5. Investments in subsidiaries

The company holds an investment in Johnson Matthey Brasil Ltda at a carrying value of nil. The gross value of the investment is £10,346k which has been fully impaired.

At 31 March 2020 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 |

6. Amounts owed to group undertakings

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Current | | |
| Amounts owed to ultimate parent company | <u>4</u> | <u>-</u> |
| | <u>4</u> | <u>-</u> |

7. Called up share capital

| | Number | £'000 |
|---|--------------------|----------------|
| Issued and fully paid ordinary shares of £1 each | | |
| At beginning and end of year | <u>200,097,095</u> | <u>200,097</u> |

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 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 or www.matthey.com.