

# **Johnson Matthey South Africa Holdings Limited**

## **Annual Report and Accounts**

**For the year ended 31 March 2020**

Registered number: 07419436

# Johnson Matthey South Africa Holdings Limited

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# Johnson Matthey South Africa Holdings Limited

## Strategic report

### Principal activities

Johnson Matthey South Africa Holdings Limited (the “company”) is the holding company of certain South African investments of the Johnson Matthey group. 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 loss for the year ended 31 March 2020 is ZAR1,321,390,000 (2019: ZAR417,000 profit). The net assets of the company for the year ended 31 March 2020 is ZAR299,150,000 (2019: ZAR1,620,540,000). In the current year the company has impaired its investment in Johnson Matthey (Proprietary) Limited by ZAR1,321,860,000 as a result of a planned restructure of manufacturing plant facilities.

### Principal risks and uncertainties

Business activity is dependent on the performance of the investments the company holds. The company makes estimates of the recoverable value of its investments in subsidiaries. These estimates are based on a forecast of future operating cash flows that have been updated for COVID-19 and is sensitive to other assumptions, notably around the suitability of a discount rate to apply to the calculation of recoverable values. A change in key inputs to these calculations could lead to a material reduction in the carrying value of these investments within the next financial year.

### 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 at [www.matthey.com/AR20](http://www.matthey.com/AR20).

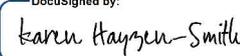
The company has no employees. The staff that support the company are mostly employed by the ultimate shareholder, Johnson Matthey Plc.

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:  
  
F18D6F863DD14D1  
**K Hayzen-Smith**  
Director

15 January 2021

# Johnson Matthey South Africa Holdings Limited

## Directors' report

The directors present their report and audited accounts for the year ended 31 March 2020.

### Results and dividends

The company's loss for the year ended 31 March 2020 is ZAR1,321,390,000 (2019: ZAR417,000 profit). In the current year the company has impaired its investment in Johnson Matthey (Proprietary) Limited by ZAR1,321,860,000 as a result of a planned restructure of manufacturing plant facilities. 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: ZAR nil). The company does not have any employees.

### Going concern

The company has net current assets of ZAR6,004,000 at the balance sheet date, this includes an amount of ZAR6,909,000 receivable from the ultimate parent company. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least one year from the date of approval of the accounts and consequently have prepared the accounts on a going concern basis.

### 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 bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. 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.

### Directors

The directors of the company who were in office during the year and up to the date of signing the accounts were J A R Abbott, A Holford (resigned 31 January 2020), K Simons (appointed 19 February 2020), L D Wilmot (resigned 13 May 2019), and K Hayzen-Smith (appointed 19 February 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.

### 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.

### Independent auditors

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

# Johnson Matthey South Africa Holdings Limited

## Directors' report

### Statement of directors' responsibilities in respect of the Strategic report, 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 prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practise (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 these 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 judgments 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.

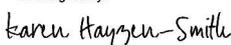
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006.

### 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.

The accounts on pages 6 to 14 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 auditors' report to the members of Johnson Matthey South Africa Holdings Limited

## Report on the audit of the financial statements

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### Opinion

In our opinion, Johnson Matthey South Africa Holdings 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 loss 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.

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### 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.

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### 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.

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### 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 auditors' report to the members of Johnson Matthey South Africa Holdings Limited

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## 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](http://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.

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## 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

# Johnson Matthey South Africa Holdings Limited

## Income statement

For the year ended 31 March 2020

	Notes	2020 ZAR'000	2019 ZAR'000
Administrative expenses		<u>(60)</u>	<u>(46)</u>
<b>Operating loss</b>		<b>(60)</b>	<b>(46)</b>
Impairment charges	6	<b>(1,321,860)</b>	-
Finance income	1	<u>732</u>	<u>645</u>
<b>(Loss)/profit before tax</b>		<b>(1,321,188)</b>	599
Tax on (loss)/profit	5	<u>(202)</u>	<u>(182)</u>
<b>(Loss)/profit for the financial year</b>		<b><u>(1,321,390)</u></b>	<b><u>417</u></b>

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

The accompanying accounting policies and notes set out on pages 9 to 14 are an integral part of the accounts.

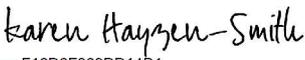
# Johnson Matthey South Africa Holdings Limited

## Balance sheet

As at 31 March 2020

	Note	2020 ZAR'000	2019 ZAR'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	6	293,140	1,615,000
Deferred income tax asset	7	6	3
<b>Total non-current assets</b>		<b>293,146</b>	<b>1,615,003</b>
<b>Current assets</b>			
Amounts receivable from ultimate parent company		6,909	6,245
Cash and cash equivalents - cash and deposits		337	328
<b>Total current assets</b>		<b>7,246</b>	<b>6,573</b>
<b>Total assets</b>		<b>300,392</b>	<b>1,621,576</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loans from subsidiary undertakings		(964)	(964)
Current income tax liabilities		(278)	(72)
<b>Total current liabilities</b>		<b>(1,242)</b>	<b>(1,036)</b>
<b>Total liabilities</b>		<b>(1,242)</b>	<b>(1,036)</b>
<b>Net assets</b>		<b>299,150</b>	<b>1,620,540</b>
<b>Equity</b>			
Called up share capital	8	10	10
Share premium account		990	990
Retained earnings		298,150	1,619,540
<b>Total equity</b>		<b>299,150</b>	<b>1,620,540</b>

The accounts on pages 6 to 14 were approved by the board on 15 January 2021 and signed on its behalf by:

DocuSigned by:  
  
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**K Hayzen-Smith**  
 Director

Company registration number: 07419436

The accompanying accounting policies and notes set out on pages 9 to 14 are an integral part of the accounts.

# Johnson Matthey South Africa Holdings Limited

## Statement of changes in equity

For the year ended 31 March 2020

	Share capital ZAR'000	Share premium account ZAR'000	Retained earnings ZAR'000	Total equity ZAR'000
At 1 April 2018	10	990	1,619,123	1,620,123
Profit for the year	-	-	417	417
Total comprehensive income	-	-	417	417
At 31 March 2019	10	990	1,619,540	1,620,540
Loss for the year	-	-	(1,321,390)	(1,321,390)
Total comprehensive expense	-	-	(1,321,390)	(1,321,390)
<b>At 31 March 2020</b>	<b>10</b>	<b>990</b>	<b>298,150</b>	<b>299,150</b>

The accompanying accounting policies and notes set out on pages 9 to 14 are an integral part of the accounts.

# Johnson Matthey South Africa Holdings Limited

## Accounting policies

### For the year ended 31 March 2020

Johnson Matthey South Africa Holdings 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 5<sup>th</sup> 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 101, 'Reduced Disclosure Framework' (FRS 101). The accounts are prepared under the historical cost convention and derivative financial assets and financial liabilities are measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The directors consider that it is appropriate to prepare the accounts on a going concern basis.

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;
- 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.

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 'South African Rand' (ZAR), which is also the company's functional currency.

#### Exemption from preparing consolidated accounts

The accounts contain information about Johnson Matthey South Africa Holdings 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 ultimate parent, Johnson Matthey Plc.

#### Foreign currencies

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

#### Finance income and finance costs

Finance costs and income are recognised in the income statement in the year incurred.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including short term deposits with a maturity date of three months or less from the date of acquisition. This includes short term bank overdraft facilities and loans between the company and its ultimate parent company, which are repayable on demand and used as an integral part of its cash management policy.

#### Financial risk management

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

# **Johnson Matthey South Africa Holdings Limited**

## **Accounting policies**

### **For the year ended 31 March 2020**

#### *Credit risk*

The company's principal financial assets are bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. 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.

#### **Investments in subsidiaries**

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

#### **Taxation**

Current and deferred tax are recognised in the income statement.

Current tax 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. The company is tax domicile in South Africa.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the balance sheet. It is provided using the tax rates that are expected to apply in the period when the asset or liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

# Johnson Matthey South Africa Holdings Limited

## Notes to the accounts

### For the year ended 31 March 2020

#### 1. Finance income

	2020 ZAR'000	2019 ZAR'000
Finance income on bank deposits	6	13
Finance income from ultimate parent company	<u>726</u>	<u>632</u>
	<u><u>732</u></u>	<u><u>645</u></u>

#### 2. Directors' remuneration

J A R Abbott, K Simons and L D Wilmot were remunerated by Johnson Matthey (Proprietary) Limited, a subsidiary of the company. The remaining directors were remunerated by the ultimate parent company see note 10. No remuneration was paid to directors in respect of services to this company (2019: ZAR nil). During the year none of the directors (2019: none) exercised share options in the ultimate parent company and one of the directors (2019: one), received shares under the ultimate parent company long term incentive plan.

#### 3. Audit fees

Audit fees payable to the company's auditor for the audit of the company's annual accounts were ZAR33,000 (2019: ZAR35,000).

#### 4. Critical accounting estimates and judgements

The company makes estimates of the recoverable value of its investments in subsidiaries. These estimates are based on a forecast of future operating cash flows that have been updated for COVID-19 and is sensitive to other assumptions, notably around the suitability of a discount rate to apply to the calculation of recoverable values. A change in key inputs to these calculations could lead to a material reduction in the carrying value of these investments within the next financial year. A description of the key assumptions, together with sensitivity analysis, is set out in note 6 to the accounts.

# Johnson Matthey South Africa Holdings Limited

## Notes to the accounts

For the year ended 31 March 2020

### 5. Tax on (loss)/profit

	2020 ZAR'000	2019 ZAR'000
<b>Current tax</b>		
South African income tax on profits for the year	205	181
Total current tax charge	<u>205</u>	<u>181</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7)	(3)
Adjustment for prior years	4	4
Total deferred tax (credit)/charge	<u>(3)</u>	<u>1</u>
<b>Tax on (loss)/profit</b>	<u><u>202</u></u>	<u><u>182</u></u>

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

	2020 ZAR'000	2019 ZAR'000
(Loss)/profit before taxation	<u>(1,321,188)</u>	<u>599</u>
Tax (credit)/charge at South African income tax rate of 28% (2019 28%)	<u>(369,933)</u>	<u>168</u>
Effects of:		
Expenses not deductible for tax purposes	370,138	13
Other short term timing differences	(7)	(3)
Adjustments for prior years	<u>4</u>	<u>4</u>
<b>Total tax charge</b>	<u><u>202</u></u>	<u><u>182</u></u>

# Johnson Matthey South Africa Holdings Limited

## Notes to the accounts

For the year ended 31 March 2020

### 6. Investments in subsidiaries

	<b>2020</b>
	<b>ZAR'000</b>
<b>Cost</b>	
At beginning and end of year	1,615,000
Impairment	<u>(1,321,860)</u>
<b>At end of year</b>	<b><u>293,140</u></b>

The company's wholly owned subsidiary undertakings are Johnson Matthey (Proprietary) Limited (manufacturing catalytic systems for automotive exhaust emission control), Johnson Matthey Salts (Proprietary) Limited (manufacturing PGM Salts for automotive exhaust emission control) and Johnson Matthey Research South Africa (Proprietary) Limited (technology centre). All three entities are incorporated in South Africa with their registered office address at Corner Henderson and Premier Roads, Germiston South Ext 7, Gauteng, South Africa.

In the current year the company has impaired its investment in Johnson Matthey (Proprietary) Limited by ZAR1,321,860,000 as a result of a planned restructure of manufacturing plant facilities.

#### Recoverability testing

The recoverable amounts of the investments are determined using the net asset carrying value of the investment, adjusted for any investments in subsidiaries held by the investment itself. For those investments whose adjusted net asset valuation is insufficient to support the valuation of the investment a value in use calculation is performed which use cash flow projections based on financial budgets and plans covering a three-year period approved by management. The budgets and plans are based on a number of assumptions, including market share, expected changes to selling prices, product profitability, precious metal prices and other direct input costs, based on past experience and management's expectations of future changes in the markets using external sources of information where appropriate. The budgets and plans used for the impairment reviews reflect management's estimate of the impact of COVID-19, which is a deep recession involving a period of lower demand followed by an extended recovery period. The key macro assumptions for our financial year 2020/21 under the deep recession scenario are shown on page 65 of the Group Annual Report. Further information on the group's current strategic and business planning process is provided in the viability statement on page 75 of the Group Annual Report. The impairment is sensitive to the forecast cash flow period being shorter than presumed. A reduction in the cashflow period by twelve months would result in a full impairment.

# Johnson Matthey South Africa Holdings Limited

## Notes to the accounts

### For the year ended 31 March 2020

#### 7. Deferred income tax asset

	Foreign exchange ZAR'000
At 1 April 2018	4
Charge to income statement	(1)
At 31 March 2019	<u>3</u>
Charge to income statement	3
<b>At 31 March 2020</b>	<b><u><u>6</u></u></b>

#### 8. Called up share capital

	2019 and 2020 Number	2019 and 2020 ZAR'000
<b>Issued and fully paid ordinary shares</b>		
Ordinary shares of ZAR0.01 each at beginning and end of year	1,000,000	10
Ordinary shares of ZAR1 each at beginning and end of year	<u>1</u>	<u>-</u>
<b>Total share capital at beginning and end of year</b>	<b><u><u>1,000,001</u></u></b>	<b><u><u>10</u></u></b>

#### 9. Related party transactions

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

#### 10. Ultimate parent company

The company's immediate parent company is Johnson Matthey Investments 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](http://www.matthey.com).

#### 11. Events after the balance sheet date

The impact of the COVID-19 pandemic on the investments held by the company is discussed in the principal risks and uncertainties section of the strategic report. Subsequent to the balance sheet date the company has monitored the trading performance of its investments and external factors, such as changes in government restrictions and considered the impact on its investments in the period since 31 March 2020.