RNS Number : 4800M
Johnson Matthey PLC
12 June 2025

12th June 2025

Johnson Matthey Plc
(the "Company")

Annual Report and Accounts 2025

The Company announces that it has today published its Annual Report and Accounts 2025 ("the Annual Report") and Notice of Annual General Meeting ("the Notice"). Both documents are available to view and download from the Company's website at https://matthey.com/investors

In accordance with Listing Rules 9.6.1 and 9.6.3, a copy of the Annual Report (which will be available in unedited full text and structured electronic format) and the Notice, together with the Form of Proxy for the Company's Annual General Meeting, have been submitted to the National Storage Mechanism and will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

The Annual General Meeting of the Company will be held at 11.00 am on Thursday 17th July 2025 at Herbert Smith Freehills, Exchange House, Primrose Street, London EC2A 2EG. A live webcast and telephone conference will also be available and details of how to join are contained in the Notice.

For the purposes of complying with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules ('DTRs') and the requirements imposed on issuers through the DTRs, information required to be communicated with the media in unedited full text is included in the Annual Report and Accounts 2025.

A condensed set of the Company's audited financial statements for the year ended 31st March 2025 are set out as an appendix to this announcement along with certain information as required under DTR 6.3.5R, extracted from the Company's Annual Report and Accounts 2025.

This announcement is made in accordance with DTR 6.3.5R(1A).

Enquiries:

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Johnson Matthey Plc is listed on the London Stock Exchange (JMAT)
Registered in England & Wales number: 00033774
Legal Entity Identifier number: 2138001AVBSD1HSC6Z10

Appendix - Part 1

Johnson Matthey Plc
Final Audited Results for the year ended 31st March 2025

Chief Executive Officer's statement:

As we move forward, JM will focus on Clean Air and PGM Services by leveraging our differentiated technology and strong market positions to drive sustainable value creation.

These are world-leading businesses in their markets with clear pathways to

These are world-leading businesses in their markets with clear pathways to sustainable value creation. In addition, we have embedded in Clean Air and PGM Services strong growth optionality with Clean Air Solutions, and PGMS-related Life Science Technologies, along with growth optionality in Hydrogen Technologies (HT). Together they represent the core of our value proposition and provide businesses all over the world with the solutions they need to reduce toxic emissions and enable the energy transition[1].

Our mission remains deeply committed to safeguarding the wellbeing of our people, partners and planet. The steps we are taking today focus on creating lasting shareholder value by leveraging our advanced technologies, industry partnerships and established infrastructure to support a cleaner and more resilient future.

Delivering change at scale

The attractive valuation of Catalyst Technologies (CT) would not have been possible without the implementation of our transformation programme. Since 2022, we have focused on our core competencies, with PGMs at the heart of our business. We have simplified our portfolio by undertaking significant divestments. The divestment of the Medical Device Components business generated over £480 million in additional value to shareholders, of which £250 million has now been returned. We also separated the CT business from PGMS. This ensured CT could be set up for success with a clear growth strategy that has unlocked significant value. In addition, we implemented efficiency and cost optimisation programmes that now set a stronger foundation for the remainder of JM to be successful in a volatile and highly competitive market environment which has resulted in the impairment of certain assets during the year. However, the transformation programme has enhanced our resilience and ability to adapt to changing conditions.

We have achieved the ambitious strategic milestones we set out in 2022. However, the slowdown in the global energy transition has impacted our growth and with that we have had to adjust our investment strategy and delay two of the investment milestones. The transformation programme has delivered £80 million savings in 2024/25 alone, bringing the total savings to £200 million in line with our target. Across the group, our teams now have a much stronger foundation for streamlined business processes, which will benefit both customers and employees. With the initial transformation programme now complete, the business will begin embedding continuous improvement into every part of our culture. It's not just about more efficiency, it's about empowering everyone in the business to perform at their best and deliver for customers.

An adaptable and resilient business

The changes we have made over the last three years have improved the competitiveness of JM. However, the reason JM has existed for over 208 years is because of our inimitable ability to adapt to significant changes in the market environment.

The energy transition has progressed more slowly than anticipated, resulting in delayed demand for technologies related to decarbonisation, which impacts both CT and HT. These evolving market dynamics have led us to ensure we do not over-invest when the market is not ready and has also resulted in impairments of certain assets reflecting the delayed cash flows and slower market growth. This has however also allowed us to monetise our position in CT at a very attractive valuation and allows us to focus on Hydrogen Technologies for decarbonisation, with investments already made and further growth now dependent on market development and the pace of the energy transition.

The challenging external environment further underscores the need to strengthen the foundations that underpin our business and enhance our financial resilience. The sale of CT allows us to realise immediate value and simplifies our business. The steps we take next are hugely important as we focus JM on being world-class at creating value from our core competencies of platinum group metals chemistry and catalysis.

A refocused, reinvigorated JM

New JM will be a streamlined, high-performing business. A leaner operating model will balance efficiency with execution, enabling our world-class science and manufacturing to deliver the greatest impact for our customers. Core strengths in Clean Air and PGM Services will remain central, while we drive a step change in cash generation and create materially enhanced sustainable shareholder returns. Our near-term milestones include Clean Air's operating margin improvements to mid-teens by 2025/26, further supported by operational excellence initiatives, and the commissioning of a new PGM refinery to increase efficiency, resilience and enhance working capital. Due to a significantly changed market environment in China, we are adapting our footprint, we remain committed to a leaner, sharper business in China. In addition, we will continue to ensure the success of the CT organisation until separation from JM by the first half of 2026.

Our performance over the last three years has laid strong foundations for sustainable value creation. During the year, we secured c.90% of Clean Air's commercial pipeline for 2027/28, advanced strategic partnerships and signed new ones with leading businesses. We continued to drive material improvements across financial and operational metrics, including the successful rollout of JM Global Solutions, our professional offshore shared services operation.

2025/26 is a critical year for our business. Focusing on our core competencies will help ensure that JM is the most innovative, operationally effective and cash-generative business in our chosen markets. This will require discipline, a strong sense of urgency and will take real collaborative effort in order to create the best outcomes for our customers, employees and our shareholders.

A new chapter

Throughout its history, JM has demonstrated an exceptional ability to adapt to technological, social and market changes. We remain a sustainable technology company, offering world-class solutions, expert teams, and leading positions across crucial markets. Going forward, we will be even more focused and are committed to creating value for all of our stakeholders. We are proud of the positive impact we have and remain committed to placing the safety and wellbeing of our people, our partners and our planet at the heart of everything we do.

I am very confident in our ability to deliver on our goal of building a more focused, sustainable JM for generations to come. I want to take this opportunity to thank our Chair for his outstanding service to JM over the past seven years and for his personal support to me. I would also like to thank our board and my GLT colleagues for their very valuable contributions. Most importantly I want to thank all our employees for their continuous support, commitment and passion for progress, which fills me with pride. Together we can all look forward to an exciting new chapter for JM, one where we accelerate true value creation for our customers, employees and shareholders.

Liam Condon
Chief Executive Officer

[1] The Hydrogen Technologies business is reported separately

Consolidated Income Statement

for the year ended 31st March 2025

	Notes	2025 £m	2024 £m
Revenue	2,3	**11,674**	**12,843**
Cost of sales	2	(10,775)	(11,916)
Gross profit		**899**	**927**
Distribution costs		(107)	(119)
Administrative expenses		(403)	(398)
Profit / (loss) on disposal of businesses	26	482	(9)
Amortisation of acquired intangibles	4	(4)	(4)
Major impairment and restructuring charges	4,6	(329)	(148)
Operating profit	2,4	**538**	**249**
Finance costs	8	(142)	(146)
Investment income	8	87	64
Share of profits / (losses) of associates	15	3	(3)
Profit before tax		**486**	**164**
Tax expense	9	(113)	(56)

Profit for the year		**373**	**108**

		pence	pence
Earnings per ordinary share			
Basic	*10*	**211.8**	**58.6**
Diluted	*10*	**211.2**	**58.3**

Consolidated Statement of Total Comprehensive Income

for the year ended 31st March 2025

	Notes	**2025 £m**	2024 £m
Profit for the year		**373**	**108**
Other comprehensive income / (expense)			
Items that will not be reclassified to the income statement in subsequent years			
Remeasurements of post-employment benefit assets and liabilities	*24*	37	(68)
Fair value losses on equity investments at fair value through other comprehensive income		(2)	(7)
Tax on items that will not be reclassified to the income statement[1]		(8)	18
Total items that will not be reclassified to the income statement		**27**	**(57)**
Items that may be reclassified to the income statement			
Exchange differences on translation of foreign operations	*25*	(82)	(79)
Amounts charged to hedging reserve	*25*	(38)	(1)
Fair value gains on net investment hedges		7	4
Tax on above items taken directly to or transferred from equity[2]		10	1
Total items that may be reclassified to the income statement in subsequent years		**(103)**	**(75)**
Other comprehensive expense for the year		**(76)**	**(132)**
Total comprehensive income / (expense) for the year		**297**	**(24)**

[1] The tax charge on other comprehensive income that will not be reclassified to the income statement of £8 million (2024: £18 million credit) relates to remeasurements of post-employment benefit assets and liabilities.

[2] The tax credit on other comprehensive income that may be reclassified to the income statement of £10 million (2024: £1 million) relates to tax on amounts charged to hedging reserve.

Consolidated Statement of Financial Position

as at 31st March 2025

	Notes	**2025 £m**	2024 £m
Assets			
Non-current assets			
Property, plant and equipment	*11*	1,411	1,436
Right-of-use assets	*12*	53	40
Goodwill	*13*	347	353
Other intangible assets	*14*	288	301
Investments in associates	*15*	71	71
Investments at fair value through other comprehensive income	*28*	38	40
Other receivables	*17*	98	104
Derivative financial instruments	*18*	4	49
Deferred tax assets	*23*	135	128
Post-employment benefit net assets	*24*	238	153

Total non-current assets		**2,683**	**2,675**
Current assets			
Inventories	*16*	1,011	1,211
Taxation recoverable		15	10
Trade and other receivables	*17*	1,532	1,718
Cash and cash equivalents		898	542
Derivative financial instruments	*18*	55	53
Assets classified as held for sale		-	127
Total current assets		**3,511**	**3,661**
Total assets		**6,194**	**6,336**
Liabilities			
Current liabilities			
Trade and other payables	*19*	(1,984)	(2,209)
Lease liabilities	*12*	(6)	(8)
Taxation liabilities		(45)	(75)
Cash and cash equivalents - bank overdrafts		(24)	(12)
Borrowings	*20*	(333)	(110)
Derivative financial instruments	*18*	(14)	(11)
Provisions	*22*	(69)	(63)
Liabilities classified as held for sale		-	(35)
Total current liabilities		**(2,475)**	**(2,523)**
Non-current liabilities			
Borrowings	*20*	(1,301)	(1,339)
Lease liabilities	*12*	(40)	(24)
Deferred tax liabilities	*23*	(4)	(2)
Employee benefit obligations	*24*	(38)	(39)
Derivative financial instruments	*18*	(9)	(10)
Provisions	*22*	(26)	(17)
Trade and other payables	*19*	(6)	(2)
Total non-current liabilities		**(1,424)**	**(1,433)**
Total liabilities		**(3,899)**	**(3,956)**
Net assets		**2,295**	**2,380**
Equity			
Share capital	*25*	197	215
Share premium		148	148

	Notes		
Treasury shares		(10)	(17)
Other reserves	25	(51)	36
Retained earnings		2,011	1,998
Total equity		**2,295**	**2,380**

Consolidated Statement of Cash Flows

for the year ended 31st March 2025

	Notes	**2025** **£m**	2024 £m
Cash flows from operating activities			
Profit before tax		486	164
Adjustments for:			
Share of (profits) / losses of associates		(3)	3
Profit on disposal of businesses		(482)	-
Depreciation		134	144
Amortisation		53	48
Impairment losses		219	70
Profit on sale of non-current assets		(1)	(2)
Share-based payments		7	5
Decrease in inventories		187	396
Decrease in receivables		156	89
Decrease in payables		(256)	(288)
Increase / (decrease) in provisions		15	(7)
Contributions in excess of employee benefit obligations charge		(42)	(10)
Changes in fair value of financial instruments		9	(10)
Net finance costs		55	82
Disposal costs		(18)	-
Income tax paid		(138)	(92)
Net cash inflow from operating activities		**381**	**592**
Cash flows from investing activities			
Interest received		78	62
Purchases of property, plant and equipment		(315)	(301)
Purchases of intangible assets		(58)	(67)
Government grant income received		-	5
Proceeds from redemption of investments held at fair value through other comprehensive income		3	-
Proceeds from sale of non-current assets		2	5
Proceeds from sale of businesses		587	41
Net cash inflow / (outflow) from investing activities		**297**	**(255)**
Cash flows from financing activities			
Purchase of treasury shares		(251)	-
Proceeds from borrowings		318	1
Repayment of borrowings		(105)	(151)
Dividends paid to equity shareholders	25	(138)	(141)
Interest paid		(148)	(137)
Principal element of lease payments		(9)	(11)
Net cash outflow from financing activities		**(333)**	**(439)**
Change in cash and cash equivalents		**345**	**(102)**
Exchange differences on cash and cash equivalents		(1)	(5)
Cash and cash equivalents at beginning of year		530	637
Cash and cash equivalents at end of year		**874**	**530**
Cash and deposits		463	208

Money market funds	435	334
Bank overdrafts	(24)	(12)
Cash and cash equivalents	**874**	**530**

Consolidated Statement of Changes in Equity

for the year ended 31st March 2025

	Share capital £m	Share premium £m	Treasury shares £m	Other reserves (note 25) £m	Retained earnings £m	Total equity £m
At 1st April 2023	215	148	(19)	118	2,077	2,539
Profit for the year	-	-	-	-	108	108
Remeasurements of post-employment benefit assets and liabilities	-	-	-	-	(68)	(68)
Fair value losses on investments at fair value through other comprehensive income	-	-	-	(7)	-	(7)
Exchange differences on translation of foreign operations	-	-	-	(79)	-	(79)
Amounts charged to hedging reserve	-	-	-	(1)	-	(1)
Fair value gains on net investment hedges taken to equity	-	-	-	4	-	4
Tax on other comprehensive income	-	-	-	1	18	19
Total comprehensive (expense) / income	-	-	-	(82)	58	(24)
Dividends paid (note 25)	-	-	-	-	(141)	(141)
Share-based payments	-	-	-	-	17	17
Cost of shares transferred to employees	-	-	2	-	(13)	(11)
At 31st March 2024	**215**	**148**	**(17)**	**36**	**1,998**	**2,380**
Profit for the year	-	-	-	-	373	**373**
Remeasurements of post-employment benefit assets and liabilities	-	-	-	-	37	**37**
Fair value losses on investments at fair value through other comprehensive income	-	-	-	(2)	-	**(2)**
Exchange differences on translation of foreign operations	-	-	-	(82)	-	**(82)**
Amounts charged to hedging reserve	-	-	-	(38)	-	**(38)**
Fair value gains on net investment hedges taken to equity	-	-	-	7	-	**7**
Tax on other comprehensive income / (expense)	-	-	-	10	(8)	**2**
Total comprehensive (expense) / income	**-**	**-**	**-**	**(105)**	**402**	**297**
Dividends paid (note 25)	-	-	-	-	(138)	**(138)**
Purchase of treasury shares (note 25)	(18)	-	-	18	(251)	**(251)**
Share-based payments	-	-	-	-	18	**18**
Cost of shares transferred to employees	-	-	7	-	(18)	**(11)**
At 31st March 2025	**197**	**148**	**(10)**	**(51)**	**2,011**	**2,295**

Notes to the Accounts

for the year ended 31st March 2025

1 Material accounting policies

The Company and the Group

Johnson Matthey plc (the 'Company') is a public company limited by shares incorporated under the Companies Act 2006 and domiciled in England in the United Kingdom. The consolidated accounts of the company for the year ended 31st March 2025 consist of the audited consolidation of the accounts of the Company and its subsidiaries (together referred to as the 'Group'), together with the employee share ownership trust and the group's interest in joint ventures and associates.

Basis of accounting and preparation - group

The financial statements of the group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The accounts are prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value as explained below.

The group accounts comprise the accounts of the parent company and its subsidiaries, including the employee share ownership trust, and include the group's interest in joint ventures and associates. Entities the group controls are accounted for as subsidiaries. Entities that are joint ventures or associates are accounted for using the equity method of accounting. Transactions and balances between group companies are eliminated. Profit recognised on transactions between group companies is eliminated on consolidation.

The results of businesses acquired or disposed of in the year are consolidated from or up to the effective date of acquisition or disposal, respectively. The net assets of businesses acquired are recognised in the consolidated accounts at their fair values at the date of acquisition.

Going concern

The directors have reviewed a range of scenario forecasts for the group and have reasonable expectation that there are no material uncertainties that cast doubt about the group's ability to continue operating for at least twelve months from the date of approving these annual accounts.

As at 31st March 2025, the group maintains a strong balance sheet with around £1.9 billion of available cash and undrawn committed facilities. Free cash flow was strong in the year at £521 million and net debt reduced by £152 million. Net debt at 31st March 2025 was £799 million at 1.4 times net debt (including post tax pension deficits) to underlying EBITDA which was just below our target range.

While inflation has been decreasing and interest rates have started to fall, significant headwinds remain due to ongoing global auto sector weakness, persistent geopolitical tensions and political uncertainty in the US, particularly about tariffs. Despite these challenges, the group demonstrated resilience during the period, with underlying operating profit (at constant exchange rate and excluding the impact of divestments) growing mid-single digit. For the purposes of assessing going concern, we have revisited our financial projections using the latest budget for our base case scenario. The base case scenario was stress tested to a severe-but-plausible downside case which reflects lower demand across our markets to account for significant disruption from external factors and a deep recession.

The severe-but-plausible case for Clean Air modelled scenarios assuming a smaller light and heavy duty vehicle market from reduced vehicle production and/or market consumer demand disruption, which could be caused by tariffs or other general changes to the market environment, or greater share of zero emission vehicles in market. This was assumed to result in a 10% drop in sales. For PGMS and Catalyst Technologies, it also assumed a reduction in sales and associated operating profit based on adverse scenarios using external and internal market insights.

Additionally, as part of viability testing, the group considered scenarios including the impact from metal price volatility, delays in capital projects and delivery of cost transformation savings, slow down of operations in China and an additional impact of US tariffs. We have also considered the impact of a refinery shutdown for a prolonged period. Whilst the combined impact would reduce profitability and EBITDA against our latest forecast, our balance sheet would remain strong.

The group has a robust funding position comprising a range of long-term debt and a £1 billion five year committed revolving credit facility newly secured in April 2025 and maturing in April 2030. There was £874 million of cash held in money market funds or placed on deposit with highly rated banks. Of the existing loans, £260 million of term debt and £40 million of other bank loans maturing between August 2024 and June 2025 were re-financed in December 2024 when the group issued c.£300 million of loan notes in the USPP market. A further £109 million of USPP debt will mature in the next 15 months. We assume no refinancing of this debt in our going concern modelling. As a long time, highly rated issuer in the US private placement market, the group expects to be able to access additional funding in its existing markets if required but the going concern conclusion is not dependent on such access as the company has sufficient financing and liquidity to fund its obligations in the base and severe-but-plausible scenarios. The group also has a number of additional sources of funding available including uncommitted metal lease facilities that support precious metal funding. Whilst we would fully expect to be able to utilise the metal lease facilities, they are excluded from our going concern modelling.

Conclusion

In the base case and severe but plausible scenarios, the group has sufficient headroom against committed facilities and key financial covenants are not in breach during the going concern period. Only in the unlikely event of all the additional risks identified above being overlaid on top of the severe but plausible trading scenario is there a very small breach of the financial covenants. This could be easily mitigated by reducing capital expenditure, renegotiating payment terms or reducing future dividend distributions. To give further assurance on liquidity, we have also undertaken a reverse stress test on our base case for full year to March 2026 and March 2027 to identify what additional or alternative scenarios and circumstances would threaten our current financing arrangements. This shows that we have headroom against either a further decline in profitability well beyond the severe-but-plausible scenario, or a significant increase in borrowings, or a significant increase in interest charges. Furthermore, as mentioned above, the group has other mitigating actions available which it could utilise to protect headroom.

The directors are therefore of the opinion that the group has adequate resources to fund its operations for the period of at least twelve months following the date of these financial statements and there are no material uncertainties relating to going concern so determine that it is appropriate to prepare the accounts on a going concern basis.

Material accounting policies

The group's and parent company's accounting policies have been applied consistently during the current and prior year, other than where new policies have been adopted (see below). The group's and parent company's material accounting policies are as follows:

Foreign currencies

Foreign currency transactions are recorded in the functional currency of the relevant subsidiary, joint venture, associate or branch at the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are retranslated into the relevant functional currency at the exchange rate at the balance sheet date.

Income statements and cash flows of overseas subsidiaries, joint ventures, associates and branches are translated into sterling at the average rates for the year. Balance sheets of overseas subsidiaries, joint ventures, associates and branches, including any fair value adjustments and related goodwill, are translated into sterling at the exchange rates at the balance sheet date.

Exchange differences arising on the translation of the net investment in overseas subsidiaries, joint ventures, associates and branches

Exchange differences arising on the translation of the net investment in overseas subsidiaries, joint ventures, associates and branches, less exchange differences arising on related foreign currency financial instruments which hedge the group's net investment in these operations, are taken to other comprehensive income. On disposal of the net investment, the cumulative exchange difference is reclassified from equity to operating profit.

Other exchange differences are recognised in operating profit

Revenue

Revenue represents income derived from contracts for the provision of goods and services by the parent company and its subsidiaries to customers in exchange for consideration in the ordinary course of the group's activities.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The group typically sells licences to its intellectual property together with other goods and services and, since these licences are not generally distinct in the context of the contract, revenue recognition is considered at the level of the performance obligation of which the licence forms part. Revenue in respect of performance obligations containing bundles of goods and services in which a licence with a sales or usage-based royalty is the predominant item is recognised when sales or usage occur.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as trade discounts, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Many of the group's and parent company's products and services are bespoke in nature and, therefore, stand-alone selling prices are estimated based on cost plus margin or by reference to market data for similar products and services.

Revenue recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligation within a contract, the group and parent company determine whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the group's and parent company's performance as they perform;
- the group's and parent company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the group's and parent company's performance does not create an asset with an alternative use to the group and parent company and they have an enforceable right to payment for performance completed to date.

For more detail of our revenue recognition policy see note 3.

In the event that the group and parent company enter into bill-and-hold transactions at the specific request of customers, revenue is recognised when the goods are ready for transfer to the customer and when the group and parent company are no longer capable of directing those goods to another use.

Revenue includes sales of precious metal to customers and the precious metal content of products sold to customers.

Linked contracts under which the group and parent company sell or buy precious metal and commit to repurchase or sell the metal in the future and no revenue is recognised in respect of the sale leg.

No revenue is recognised by the group or parent company in respect of non-monetary exchanges of precious metal on the basis that the counterparties are in the same line of business.

Consideration payable to customers

Consideration payable to customers in advance of the recognition of revenue in respect of the goods and services to which it relates is capitalised and recognised as a deduction to the revenue recognised upon transfer of the goods and services to the customer.

Costs to fulfil a contract

Contract fulfilment costs in respect of over time contracts are expensed as incurred. Contract fulfilment costs in respect of point in time contracts are accounted for under IAS 2, *Inventories*.

Contract receivables

Contract receivables represent amounts for which the group and parent company have a conditional right to consideration in respect of unbilled revenue recognised at the balance sheet date.

Contract liabilities

Contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has been received, or consideration is due, from the customer.

Finance costs and investment income

Finance costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other finance costs and finance income are recognised in the income statement in the year incurred. Finance costs and finance income include the forward point movements from FX Swap contracts (i.e. the interest rate differential between currencies specified in a FX Swap contract) and from metal Swap contracts (i.e. the interest rate differential between the spot equivalent metal price and forward contract price). Other finance costs and finance income are recognised in the income statement in the year incurred.

Research and development

Research expenditure is charged to the income statement (cost of sales) in the year incurred. Development expenditure is charged to the income statement (cost of sales) in the year incurred unless it meets the recognition criteria for capitalisation. When the recognition criteria have been met, any further development expenditure is capitalised as an intangible asset.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provisions for impairment. Depreciation is provided at rates calculated to write-off the cost less estimated residual value of each asset over its useful life and is recognised within administrative expenses. Certain buildings and plant and equipment are depreciated using the units of production method as this more closely reflects their expected consumption. All other assets are depreciated using the straight-line method. The useful lives vary according to the class of the asset, but are typically:

- buildings - not exceeding 30 years; and
- plant and machinery - 4 to 10 years.
- land is not depreciated.

The expected lives of property, plant and equipment tends to be short to medium term, as such the physical risk posed by climate change in the long term is low.

Impairment

The group and parent company reviews the carrying amounts of its non-financial assets regularly to determine whether there is any indication of impairment. Goodwill is tested for impairment annually or more frequently if there are indications that goodwill might be impaired. If any such indication of impairment exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value-in-use. In estimating value-in-use, the estimated future cash flows are discounted to their present fair value less costs to sell and value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU) for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised as an expense immediately whenever the carrying amount of a non-financial asset or the CGU to which it belongs exceeds its recoverable amount. Impairment losses for goodwill are not reversable in subsequent reporting periods. Where an impairment loss subsequently reverses for a finite lived non-financial asset, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income when identified.

Impairment of financial assets
The group and parent company has financial assets classified and measured at amortised cost and fair value through other comprehensive income that are subject to the expected credit loss requirements of IFRS 9. Cash and bank deposits are classified and measured at amortised cost and subject to impairment assessments however the expected credit loss is considered to be immaterial.

The group and parent company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. The group and parent company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial measurement which was measured as 12-month ECL. A simplified lifetime ECL model is used to assess trade receivables and contract assets for impairment. ECL is the present value of all cash shortfalls over the expected life of a trade receivable. Expected credit losses are based on historical loss experience on trade receivables, adjusted to reflect information about current economic conditions and reasonable and supportable forecasts of future economic conditions.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the group and parent company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group and parent company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the group or parent company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group or parent company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Factoring arrangements
The group enters into factoring type arrangements in a small number of countries as part of normal business due to longer than standard payment terms, we seek to collect payments in the month following sale. The group and parent company derecognises trade receivables when the contractual rights to cash flows from the receivables have expired or when substantially all risks and rewards of ownership are transferred. Any gain or loss from the derecognition is recognised in the statement of profit or loss.

Goodwill and other intangible assets
Goodwill arises on the acquisition of a business when the fair value of the consideration exceeds the fair value attributed to the net assets acquired (including contingent liabilities). It is subject to annual impairment reviews. Acquisition-related costs are charged to the income statement as incurred. The group and parent company have taken advantage of the exemption allowed under IFRS 1 and, therefore, goodwill arising on acquisitions made before 1st April 2004 is included at the carrying amount at that date less any subsequent impairments.
Other intangible assets are stated at cost less accumulated amortisation and any provisions for impairment. Customer contracts are amortised when the relevant income stream occurs. All other intangible assets are amortised by using the straight-line method over the useful lives from the time they are first available for use. Amortisation is recognised within administrative expenses. The estimated useful lives vary according to the specific asset, but are typically:

- customer contracts and relationships - 1 to 15 years;
- capitalised computer software - 3 to 8 years;
- patents, trademarks and licences - 3 to 20 years, for perpetual software licences the estimated useful life is 4 to 7 years;
- acquired research and technology - 4 to 10 years; and
- capitalised development currently being amortised - 3 to 8 years.

Intangible assets which are not yet being amortised are subject to annual impairment reviews.

Investments in associates
Associates are entities over which the group exercises significant influence when it has the power to participate in the financial and operating policy decisions of the entity but it does not have the power to control or jointly control the entity.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Thereafter the investments are adjusted to recognise the group's share of the post-acquisition profits or losses after tax of the investee in the income statement, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The carrying value of the investments are reviewed for impairment triggers on a regular basis.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses unless it has incurred obligations to do so.

Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in these associates.

Leases
Leases are recognised as a right-of-use asset, together with a corresponding lease liability, at the date at which the leased asset is available for use.

The right-of-use asset is initially measured at cost, which comprises the initial value of the lease liability, lease payments made (net of any incentives received from the lessor) before the commencement of the lease, initial direct costs and restoration costs. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term in operating profit.

The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, where this rate is not determinable, the group's incremental borrowing rate, which is the interest rate the group would have to pay to borrow the amount necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Interest is charged to finance costs at a constant rate of interest on the outstanding lease liability over the lease term.

Payments in respect of short-term leases, low-value leases and precious metal leases are charged to the income statement on a straight-line basis over the lease term in operating profit.

The group leases precious metals to fund temporary peaks in metal requirements provided market conditions allow. These leases are from banks for specified periods (less than 12 months) and the group pays a fee which is expensed on a straight-line basis over the lease term in finance costs. The group holds sufficient precious metal inventories to meet all the obligations under these lease arrangements as they fall due. Precious metal leases do not fall under the scope of IFRS 16 as there is no identifiable asset to control due to the fungible nature of metal.

Inventories
Precious metal
Inventories of gold, silver and platinum group metals are valued according to the source from which the metal is obtained. Metal which

has been purchased and committed to future sales to customers is valued at the price at which it is contractually committed, adjusted for unexpired contango and backwardation. Other precious metal inventories owned by the group, which are unhedged, are valued at the lower of cost and net realisable value using the weighted average cost formula.

Other

Non-precious metal inventories are valued at the lower of cost, including attributable overheads, and net realisable value. Except where costs are specifically identified, the first-in, first-out cost formula is used to value inventories.

Cash and cash equivalents

Cash and deposits comprise cash at bank and in hand and short-term deposits with a maturity date of three months or less from the date of acquisition. Money market funds comprise investments in funds that are subject to an insignificant risk of changes in fair value. The group and parent company routinely use short-term bank overdraft facilities, which are repayable on demand, as an integral part of their cash management policies and, therefore, cash and cash equivalents include cash and deposits, money market funds and bank overdrafts. Offset arrangements across group businesses have been applied to arrive at the net cash and overdraft figures.

Financial instruments

Investments and other financial assets

The group and parent company classify their financial assets in the following measurement categories:

- those measured at fair value either through other comprehensive income or through profit or loss; and
- those measured at amortised cost.

At initial recognition, the group and parent company measure financial assets at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition.

The group and parent company subsequently measure equity investments at fair value and have elected to present fair value gains and losses on equity investments in other comprehensive income. There is, therefore, no subsequent reclassification of cumulative fair value gains and losses to profit or loss following disposal of the investments.

The group and parent company subsequently measure trade and other receivables and contract receivables at amortised cost, with the exception of trade receivables that have been designated as at fair value through other comprehensive income because the group has certain operations with business models to hold trade receivables for collection or sale. All other financial assets, including short-term receivables, are measured at amortised cost less any impairment provision.

For the impairment of trade and contract receivables, the group and parent company apply the simplified approach permitted by IFRS 9, *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition.

Derivative financial instruments

The group and parent company use derivative financial instruments, in particular forward currency contracts, currency swaps, interest rate swaps and commodity derivatives to manage the financial risks associated with their underlying business activities and the financing of those activities. The group and parent company do not undertake any speculative trading activity in derivative financial instruments.

Derivative financial instruments are measured at their fair value. Derivative financial instruments may be designated at inception as fair value hedges, cash flow hedges or net investment hedges if appropriate. For currency swaps designated as instruments in cash flow or net investment hedging relationships, the impact from currency basis spreads is included in the hedge relationship and may be a source of ineffectiveness recognised in the income statement.

Derivative financial instruments which are not designated as hedging instruments are classified as at fair value through profit or loss, but are used to manage financial risk. Changes in the fair value of any derivative financial instruments that are not designated as, or are not determined to be, effective hedges are recognised immediately in the income statement. The vast majority of forward precious metal price contracts are entered into and held for the receipt or delivery of precious metal and, therefore, are not recorded at fair value.

Cash flow hedges

Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedges are effective. Ineffective portions are recognised in the income statement immediately. If the hedged item results in the recognition of a non-financial asset or liability, the amount previously recognised in other comprehensive income is transferred out of equity and included in the initial carrying amount of the asset or liability. Otherwise, the amount previously recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item is recognised in the income statement. If the hedging instrument expires or is sold, terminated or exercised or the hedge no longer meets the criteria for hedge accounting, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs. If a forecast transaction is no longer expected to occur, the amounts previously recognised in other comprehensive income are transferred to the income statement. If a forward precious metal price contract will be settled net in cash, it is designated and accounted for as a cash flow hedge.

Fair value hedges

Changes in the fair value of derivative financial instruments designated as fair value hedges are recognised in the income statement, together with the related changes in the fair value of the hedged asset or liability. Fair value hedge accounting is discontinued if the hedging instrument expires or is sold, terminated or exercised or the hedge no longer meets the criteria for hedge accounting.

Net investment hedges

For hedges of net investments in foreign operations, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to other comprehensive income are reclassified from equity to the income statement when the foreign operations are sold or liquidated.

Financial liabilities

Borrowings are measured at amortised cost. Those borrowings designated as being in fair value hedge relationships are remeasured for the fair value changes in respect of the hedged risk with these changes recognised in the income statement. All other financial liabilities, including short-term payables, are measured at amortised cost.

Precious metal sale and repurchase agreements

The group and parent company undertake linked contracts to sell or buy precious metal and commit to repurchase or sell the metal in the future. An asset representing the metal which the group and parent company have committed to sell or a liability representing the obligation to repurchase the metal are recognised in trade and other receivables or trade and other payables, respectively.

Taxation

Current and deferred tax are recognised in the income statement, except when they relate to items recognised directly in equity, in which case the related tax is also recognised in equity.

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.

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 amounts 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. No deferred tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries and branches where the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Provisions and contingencies

Provisions are recognised when the group has a present obligation as a result of a past event and a reliable estimate can be made of a probable adverse outcome, for example warranties, environmental claims and restructuring. Otherwise, material contingent liabilities are disclosed unless the probability of the transfer of economic benefits is remote. Contingent assets are only recognised if an inflow of economic benefits is virtually certain.

Share-based payments and treasury shares

The fair value of shares awarded to employees under the performance share plan, restricted share plan, long term incentive plan and deferred bonus plan is calculated by adjusting the share price on the date of allocation for the present value of the expected dividends that will not be received. The resulting cost is charged to the income statement over the relevant performance periods, adjusted to reflect actual and expected levels of vesting where appropriate.

The group and parent company provide finance to the employee share ownership trust (ESOT) to purchase company shares in the open market. Costs of running the ESOT are charged to the income statement. The cost of shares held by the ESOT is deducted in arriving at equity until they vest unconditionally with employees.

Post-employment benefits

The costs of defined contribution plans are charged to the income statement as they fall due.

For defined benefit plans, the group and parent company recognise the net assets or liabilities of the plans in their balance sheets. Assets are measured at their fair value at the balance sheet date. Liabilities are measured at present value using the projected unit credit method and a discount rate reflecting yields on high quality corporate bonds. The changes in plan assets and liabilities, based on actuarial advice, are recognised as follows:

- The current service cost is deducted in arriving at operating profit.
- The net interest cost, based on the discount rate at the beginning of the year, contributions paid in and the present value of the net defined benefit liabilities during the year, is included in finance costs.
- Past service costs and curtailment gains and losses are recognised in operating profit at the earlier of when the plan amendment or curtailment occurs and when any related restructuring costs or termination benefits are recognised.
- Gains or losses arising from settlements are included in operating profit when the settlement occurs.
- Remeasurements, representing returns on plan assets, excluding amounts included in interest, and actuarial gains and losses arising from changes in financial and demographic assumptions, are recognised in other comprehensive income.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if, at the balance sheet date, they are available for sale in their present condition, management are committed to a plan to sell the asset or disposal group and there is an active programme to locate a buyer, and a sale is considered highly probable within 12 months. They are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately on the Balance Sheet. The assets are not depreciated or amortised while they are classified as held for sale.

An impairment loss is recognised in the Income Statement for any initial or subsequent write-down of the asset or disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset or disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Sources of estimation uncertainty

Determining the carrying amounts of certain assets and liabilities at the balance sheet date requires estimation of the effects of uncertain future events. In the event that actual outcomes differ from those estimated, there may be an adjustment to the carrying amounts of those assets and liabilities within the next financial year. Other significant risks of material adjustment are the valuation of the liabilities of the defined benefit pension plans and tax provisions. The group and parent company have considered the refining process and stocktakes, deferred tax assets and climate change and, whilst not deemed to represent a significant risk of material adjustment to the group's and parent company's financial position during the year ending 31st March 2025, represent important accounting estimates.

Goodwill, other intangibles and other assets

The group and parent company have significant intangible assets from both business acquisitions and investments in new products and technologies. Some of those acquisitions and investments are at an early stage of commercial development and, therefore, carry a greater risk that they will not be commercially viable. Goodwill and intangible assets not yet ready for use are not amortised but are subject to annual impairment reviews. Other intangible assets are amortised from the time they are first ready for use and, together with other assets, are assessed for impairment when there is a triggering event that provides evidence that they are impaired.

The impairment reviews require the use of estimates of future profit and cash generation based on financial budgets and plans approved by management, generally covering a three-year period and then extrapolated using long term growth rates, and the pre-tax discount rates used in discounting projected cash flows, see note 5.

The directors have determined that there is significant accounting estimate with respect to the estimated cash flows in assessing the value in use of the Hydrogen Technologies CGU. There is also significant accounting estimate with respect to the estimated cash flows used in the Heavy Duty Catalysts and Catalyst Technologies CGUs value in use as part of the goodwill impairment assessments. Refer to note 5 for information about the key assumptions applied in the value in use calculations.

Post-employment benefits

The group's and parent company's defined benefit plans are assessed annually by qualified independent actuaries. The estimate of the liabilities of the plans is based on a number of actuarial assumptions.

There is a range of possible values for each actuarial assumption and the point within that range is estimated to most appropriately reflect the group's and parent company's circumstances. Small changes in these assumptions can have a significant impact on the estimate of the liabilities of the plans. A description of those discount rate and inflation assumptions, together with sensitivity analysis, is set out in note 24 to the group and parent company accounts.

Tax provisions

Tax provisions are determined based on the tax laws and regulations that apply in each of the jurisdictions in which the group operates. Tax provisions are recognised where the impact of those laws and regulations is unclear and it is probable that there will be a tax adjustment representing a future outflow of funds to a tax authority or a consequent adjustment to the carrying value of a tax asset.

Provisions are mainly measured using the 'expected value' method. This method calculates exposure by reference to the sum of the probability-weighted outcome of a range of potential outcomes. The resolution of tax positions taken by the group can take a considerable period of time to conclude and, in some cases, it is difficult to predict the outcome. Tax provisions at 31st March 2025 of £59 million (2024: £64 million) are included within the current tax positions on the balance sheet and the estimation of the range of possible outcomes is an increase in those liabilities by £118 million (2024: £72 million) to a decrease of £58 million (2024: £54 million). The estimates made reflect where the group faces routine tax audits or is in ongoing disputes with tax authorities; has identified potential tax exposures relating to transfer pricing; or is contesting the tax deductibility of certain business costs.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available, against which the deductible temporary difference can be utilised, based on management's assumptions relating to future taxable profits.

Determination of future taxable profits requires application of judgement and estimates, including: market share, expected changes to selling prices, product profitability, precious metal prices and other direct input costs, based on management's expectations of future changes in the markets using external sources of information where appropriate. The estimates take account of the inherent uncertainties, constraining the expected level of profit as appropriate. Changes in these estimates will affect future profits and therefore the recoverability of the deferred tax assets.

Refining process and stocktakes

The group's and parent company's refining businesses process significant quantities of precious metal and there are uncertainties regarding the actual amount of metal in the refining system at any one time. The group's refining businesses process over four million ounces of platinum group metals per annum with a market value of around £3 billion. The majority of metal processed is owned by customers and the group and parent company must return pre-agreed quantities of refined metal based on assays of starting materials and other contractual arrangements, such as the timing of the return of metal. The group and parent company calculate the profits or losses of their refining operations based on estimates, including the extent to which process losses are expected during refining. The risk of process losses or stocktake gains depends on the nature of the starting material being refined, the specific refining processes risk of process losses or stocktake gains depends on the nature of the starting material being refined, the specific refining processes applied, the efficiency of those processes and the contractual arrangements.

Stocktakes are performed to determine the volume and value of metal within the refining system compared with the calculated estimates, with the variance being a profit or a loss. Stocktakes are, therefore, a key control in the assessment of the accuracy of the profit or loss of refining operations. Whilst refining is a complex, large-scale industrial process, the group and parent company have appropriate processes and controls over the movement of material in their refineries.

Climate change

The impact of climate change presented in the group's Strategic Report (see pages [X] to [X]) and the stated net zero targets have been considered in preparing the group accounts.

The following considerations were made:

Impact on the going concern period and viability of the group over the next three years. The latest forecasts reflect the continuous investment in sustainable technologies including commercialisation of our products used in green hydrogen production and higher performance fuel cell components for a range of automotive, non-automotive and stationary applications.

The potential impact of climate change on a number of areas within the financial statements has been considered, including:

- The forecasts of cash flows used in impairment assessments for the carrying value of non-current assets including goodwill (see note 5).
- When considering the recoverability of deferred tax assets, the taxable profit forecasts are based on the same information used to support the going concern and impairment assessments.
- The expected lives of fixed assets and their exposure to the physical risk posed by climate change.

The expected lives of property, plant and equipment tends to be short to medium term, as such the physical risk posed by climate change in the long term is low.

There is no material impact on the reported numbers for the year ended 31st March 2025 from climate change.

Judgements made in applying accounting policies

Metal

The group and parent company use precious metal owned by customers in their production processes. It has been determined that this metal is not controlled by the group or parent company and, therefore, it is not recognised on the balance sheet.

The group and parent company manage precious metal inventories by entering into physically settled forward sales and purchases of metal positions in line with a well-established hedging policy. The own use exemption has been adopted for these transactions and, therefore, the group and parent company do not fair value such physically settled contracts.

The group undertakes linked contracts to sell or buy precious metal and commits to repurchase or sell the metal in the future to manage inventory levels. Accordingly, cash flows in respect of sale and repurchase agreements are shown as cash flows from operating activities in the cash flow statement rather than cash flows from financing activities.

Provisions and contingent liabilities

The group is involved in various disputes and claims which arise from time to time in the course of its business including, for example, in relation to commercial matters, product quality or liability, employee matters and tax audits. The group is also involved from time to time in the course of its business in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. Judgement is required to determine if an outflow of economic resources is probable, or possible but not probable for such events. Where it is probable, a liability is recognised and further judgement is used to determine the amount of the provision. Where it is possible but not probable, further judgement is used to determine if the likelihood is remote, in which case no disclosures are provided; if the likelihood is not remote then a contingent liability is disclosed. Provisions and contingent liabilities are set out in notes 22 and 31, respectively.

In the course of preparing the accounts, no other judgements have been made in the process of applying the group's and parent company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the accounts.

Assets held for sale

On 22nd May 2025, the group announced the agreement of the sale of its Catalyst Technologies business to Honeywell International Inc., refer to note 34 for further information. At the balance sheet date there was no specific active programme to dispose of the business by the board and the offer received was unsolicited. The board took into account the best interests of the group and the potential sale was at the early stages of negotiation and there was no firm commitment by the board to sell. The sale was therefore not considered highly probable. Management concluded that the criteria of IFRS 5 for classification as held for sale at 31st March 2025 had not been met. Consequently, the Catalyst Technologies business has not been classified as held for sale and a discontinued operation within these consolidated accounts.

Changes in accounting policies

Amendments to accounting standards

The IASB has issued the following amendments, which have been endorsed by the UK Endorsement Board, for annual periods beginning on or after 1st January 2024:

- Amendments to IAS 1, *Presentation of Financial Statements*;
- Amendments to IFRS 16, *Leases*;
- Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments*: *Disclosures relating to Supplier Finance Arrangements*

The new or amended standards and interpretations above that are effective for the year ended 31st March 2025 have not had a material impact on the group.

The group has not early adopted any standard, amendment or interpretation that was issued but is not yet effective. With the exception of IFRS 18, *Presentation and Disclosure in Financial Statements*, the group does not expect these amendments to have a material impact on the group. The group will assess the impact of IFRS 18 in due course, with it effective for accounting periods commencing 1st January 2027.

The list of amendments considered in relation to the above are as follows:

- Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates relating to exchangeability of a currency*;
- Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*;
- IFRS 18, *Presentation and Disclosure in Financial Statements*; and
- IFRS 19, *Subsidiaries without Public Accountability*

Non-GAAP measures

The group uses various measures to manage its business which are not defined by generally accepted accounting principles (GAAP). The group's management believes these measures provide valuable additional information to users of the accounts in understanding the group's performance. The group's non-GAAP measures are defined and reconciled to GAAP measures in note 33.

2 Segmental information

Revenue, sales and underlying operating profit by business

Clean Air - provides catalysts for emission control after-treatment systems used in light and heavy duty vehicles powered by internal combustion engines.

PGM Services - enables the energy transition through providing circular solutions as demand for scarce critical materials increases. Provides a strategic service to the group, supporting the other segments with security of metal supply, and manufactures value-add PGM products.

Catalyst Technologies - licenses process technology and supplies catalysts to the chemical and energy sectors, enabling the decarbonisation of fuels and chemical value chains.

Hydrogen Technologies - provides components across the value chain for fuel cells and electrolysers including catalyst coated membranes and membrane electrode assemblies.

Value Businesses - a portfolio of businesses managed to drive shareholder value from activities considered to be non-core to the group. The disposal of the Value Businesses portfolio concluded during the period, with Battery Systems (sold on 30th April 2024), Medical Device Components (sold on 1st July 2024) and the land and buildings of our previous Battery Materials business in Poland (sold on 24th July 2024). Refer to note 26 for further details. Additionally, included in our prior period comparatives is Diagnostic Services (sold on 29th September 2023).

The Group Leadership Team (the chief operating decision maker as defined by IFRS 8, *Operating Segments*) monitors the results of these operating businesses to assess performance and make decisions about the allocation of resources. Each operating business is represented by a member of the Group Leadership Team. These operating businesses represent the group's reportable segments and their principal activities are described on pages [X} to [X}. The performance of the group's operating businesses is assessed on sales and underlying operating profit (see note 33). Sales between segments are made at market prices, taking into account the volumes involved.

Year ended 31st March 2025

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies	Value Businesses	Corporate	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	3,973	6,869	713	68	51	-	-	**11,674**
Inter-segment revenue	-	1,484	15	-	-	-	(1,499)	**-**
Revenue	**3,973**	**8,353**	**728**	**68**	**51**	**-**	**(1,499)**	**11,674**
Cost of sales - precious metal to customers	(1,654)	(7,889)	(59)	(8)	(14)	-	1,420	**(8,204)**
Cost of sales - non-precious metal	(1,856)	(223)	(449)	(68)	(32)	(22)	79	**(2,571)**
Cost of sales	**(3,510)**	**(8,112)**	**(508)**	**(76)**	**(46)**	**(22)**	**1,499**	**(10,775)**
External sales	2,319	399	655	60	37	-	-	**3,470**
Inter-segment sales	-	65	14	-	-	-	(79)	**-**
Sales[1]	**2,319**	**464**	**669**	**60**	**37**	**-**	**(79)**	**3,470**
Underlying operating profit / (loss)[1]	**273**	**149**	**92**	**(39)**	**1**	**(87)**	**-**	**389**

[1] Sales and underlying operating profit are non-GAAP measures (see note 33). Sales excludes the cost of precious metals to customers. Underlying operating profit excludes profit or loss on disposal of businesses, amortisation of acquired intangibles and major impairment and restructuring charges.

Year ended 31st March 2024

Catalyst Hydrogen Value

	Clean Air	PGM Services	Technologies	Technologies	Businesses	Corporate	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	5,219	6,490	634	85	415	-	-	**12,843**
Inter-segment revenue	8	2,432	19	1	-	-	(2,460)	**-**
Revenue	**5,227**	**8,922**	**653**	**86**	**415**	**-**	**(2,460)**	**12,843**
Cost of sales - precious metal to customers	(2,646)	(8,460)	(75)	(15)	(89)	-	2,346	**(8,939)**
Cost of sales - non-precious metal	(2,101)	(210)	(399)	(87)	(278)	(16)	114	**(2,977)**
Cost of sales	**(4,747)**	**(8,670)**	**(474)**	**(102)**	**(367)**	**(16)**	**2,460**	**(11,916)**
External sales	2,573	374	560	71	326	-	-	**3,904**
Inter-segment sales	8	88	18	-	-	-	(114)	**-**
Sales[1]	**2,581**	**462**	**578**	**71**	**326**	**-**	**(114)**	**3,904**
Underlying operating profit / (loss)[1]	**274**	**164**	**75**	**(50)**	**29**	**(82)**	**-**	**410**

[1] Sales and underlying operating profit are non-GAAP measures (see note 33). Sales excludes the cost of precious metals to customers. Underlying operating profit excludes profit or loss on disposal of businesses, amortisation of acquired intangibles and major impairment and restructuring charges.

Reconciliation from underlying operating profit to operating profit by business

Year ended 31st March 2025

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies	Value Businesses	Corporate	Total
	£m	£m	£m	£m	£m	£m	£m
Underlying operating profit / (loss)[1]	**273**	**149**	**92**	**(39)**	**1**	**(87)**	**389**
(Loss) / profit on disposal of businesses (note 26)	-	(19)	-	-	29	472	**482**
Amortisation of acquired intangibles	-	-	(4)	-	-	-	**(4)**
Major impairment and restructuring charges (note 6)	(39)	(63)	(2)	(145)	(1)	(79)	**(329)**
Operating profit / (loss)	**234**	**67**	**86**	**(184)**	**29**	**306**	**538**

Year ended 31st March 2024

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies	Value Businesses	Corporate	Total
	£m	£m	£m	£m	£m	£m	£m
Underlying operating profit / (loss)[1]	**274**	**164**	**75**	**(50)**	**29**	**(82)**	**410**
Loss on disposal of businesses	(4)	-	-	-	(5)	-	**(9)**
Amortisation of acquired intangibles	(1)		(3)				**(4)**

Amortisation of acquired intangibles	(1)	-	(3)	-	-	-	**(4)**
Major impairment and restructuring charges (note 6)	(32)	(15)	(2)	(10)	(53)	(36)	**(148)**
Operating profit / (loss)	**237**	**149**	**70**	**(60)**	**(29)**	**(118)**	**249**

[1] Underlying operating profit is a non-GAAP measure (see note 33). Underlying operating profit excludes profit or loss on disposal of businesses, gain or loss on significant legal proceedings, together with associated legal costs, amortisation of acquired intangibles and major impairment and restructuring charges.

Year ended 31st March 2025

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies	Corporate	Total
	£m	£m	£m	£m	£m	£m
Segmental net assets	**1,345**	**121**	**801**	**153**	**373**	**2,793**
Net debt (note 33)						**(799)**
Post-employment benefit net assets and liabilities						**200**
Deferred tax net assets						**131**
Provisions and non-current other payables						**(101)**
Investments in associates (note 15)						**71**
Net assets						**2,295**
Property, plant and equipment	33	196	67	25	10	**331**
Intangible assets	5	-	6	2	32	**45**
Capital expenditure	**38**	**196**	**73**	**27**	**42**	**376**
Depreciation	67	25	22	5	15	**134**
Amortisation	5	2	8	-	38	**53**
Impairment losses (notes 5 and 6)	(25)	(39)	(3)	(134)	(18)	**(219)**
Total	**47**	**(12)**	**27**	**(129)**	**35**	**(32)**

Year ended 31st March 2024

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies	Value Businesses	Corporate	Total
	£m	£m	£m	£m	£m	£m	£m
Segmental net assets	**1,351**	**38**	**718**	**271**	**178**	**449**	**3,005**
Net debt							**(946)**
Post-employment benefit net assets and liabilities							**114**
Deferred tax net assets							**126**
Provisions and non-current other payables							**(82)**
Investments in associates (note 15)							**71**
Net assets held for sale							**92**
Net assets							**2,380**
Property, plant and equipment	52	116	50	87	9	11	**325**
Intangible assets	3	4	12	9	-	37	**65**

						1.0	
Capital expenditure	**55**	**120**	**62**	**96**	**9**	**48**	**390**
Depreciation	70	27	23	3	8	13	**144**
Amortisation	4	3	5	-	-	36	**48**
Impairment losses and reversals (notes 5 and 6)	(2)	(12)	-	(6)	(50)	-	**(70)**
Total	**72**	**18**	**28**	**(3)**	**(42)**	**49**	**122**

Refer to note 3 for further required disclosures per IFRS 8, *Operating Segments*.

3 Revenue

Products and services

The group's principal products and services by operating business and sub-business are disclosed in the table below, together with information regarding performance obligations and revenue recognition. Revenue is recognised by the group as contractual performance obligations to customers are completed.

Sub-business	Primary industry	Principal products and services	Performance obligations	Revenue recognition
Clean Air				
Light Duty Catalysts	Automotive	Catalysts for cars and other light duty vehicles	Point in time	On despatch or delivery
Heavy Duty Catalysts	Automotive	Catalysts for trucks, buses and non-road equipment	Point in time	On despatch or delivery
PGM Services				
Platinum Group Metal Services	Various	Platinum Group Metal refining and recycling services	Over time	Based on output
		Platinum Group Metal trading	Point in time	On receipt of payment or metal being available to customer
		Other precious metal products	Point in time	On despatch or delivery
		Platinum Group Metal chemical, industrial products and catalysts	Point in time	On despatch or delivery
Catalyst Technologies				
Catalysts	Chemicals / oil and gas / sustainable fuels	Speciality catalysts and additives	Point in time	On despatch or delivery
Licensing	Chemicals / oil and gas / sustainable fuels	Process technology licences and engineering design services	Over time / point in time[1]	Based on costs incurred or at a point in time[1]
Hydrogen Technologies				
Fuel Cells Technology	Various	Fuel cell catalyst coated membrane	Point in time	On despatch or delivery
Electrolysis Technology	Various	Electrolyser catalyst coated membrane	Point in time	On despatch or delivery
Value Businesses				
Other Markets (excluding Diagnostic Services)	Various	Precious metal pastes and enamels, battery systems and products found in devices used in medical procedures	Point in time	On despatch or delivery
Diagnostic Services	Oil and gas	Detection, diagnostic and measurement solutions	Over time	Based on costs incurred

[1] Revenue recognition depends on whether the licence is distinct in the context of the contract. If a licence is assessed as distinct the judgement around point in time or over time depends on whether it is a right to use or right to access licence.

Metal revenue: Metal revenue relates to the sales of precious metals to customers, either in pure form or contained within a product. Metal revenue arises in each of the reportable segments in the group. Metal revenue is affected by fluctuations in the market prices of precious metals and, in many cases, the value of precious metals is passed directly on to customers. Given the high value of these metals this makes up a significant proportion of revenue.

Revenue judgements

Over time revenue

Over time revenue recognition predominantly occurs in Catalyst Technologies and PGM Services (Refining Services), see criteria for over time recognition as defined by the group's accounting policies in note 1.

Refining Services

The majority of the metal processed by the group and parent company's refining businesses is owned by customers and, therefore, revenue is recognised over time on the basis that the group and parent company are providing a service to enhance an asset controlled by the customer. The customer controls the metal throughout the refining process, the key indicators being legal ownership, metal price risk and that the customer has the right to claim the equivalent metal at all stages of processing.

The performance obligation contained in all refining contracts is a service arrangement to refine customer metal to a specified quality and volume by a certain date. For a contract that has multiple metals, the refinement of each metal is a separate performance obligation. We receive the contracted cash fee which is set with reference to market price at the start of the contract. Upon delivery of the refined metal to the customer, the percentage of the refined metal that we may retain at settlement is considered to be a non-cash consideration and is recognised as part of revenue at fair value.

Revenue from refining services is recognised using an output method by estimating the progress of the metal in the refining process. Once the customer metal is in the refining process it is commingled with metal from other customers and it is not separately identifiable. Because we have a consistent volume of metal flowing through the refinery process, we estimate that all of the metal in the refinery is on average 50% of the way through the process. We therefore recognise up to 50% of the revenue (cash service fee and non-cash consideration) for our services when metal enters the refining process. Since refining each type of metal is a separate performance obligation, once we have returned the metal to the customer, we recognise the remaining 50% of revenue for that particular metal while other metal may still be due to the same customer.

Where refinery stocktakes indicate that metal recoveries have been lower than anticipated and/or allowed for in process loss provisioning, refined metal gain revenue is reduced accordingly. Where refinery stocktakes indicate that metal recoveries have been higher than anticipated, any incremental refining metal gain revenue is only recognised once it is highly probable that a reversal in the amount of cumulative revenue recognised will not occur and the metal has been sold.

Revenue from external customers by principal products and services

Year ended 31st March 2025

	Clean Air £m	PGM Services £m	Catalyst Technologies £m	Hydrogen Technologies £m	Value Businesses £m	Total £m
Metal	1,654	6,470	58	8	14	**8,204**
Heavy Duty Catalysts	790	-	-	-	-	**790**
Light Duty Catalysts	1,529	-	-	-	-	**1,529**
Platinum Group Metal Services	-	399	-	-	-	**399**
Catalysts	-	-	549	-	-	**549**
Licensing	-	-	106	-	-	**106**
Fuel Cells Technology	-	-	-	60	-	**60**
Battery Systems	-	-	-	-	15	**15**
Medical Device Components	-	-	-	-	21	**21**
Other	-	-	-	-	1	**1**
Revenue	**3,973**	**6,869**	**713**	**68**	**51**	**11,674**

Year ended 31st March 2024

	Clean Air £m	PGM Services £m	Catalyst Technologies £m	Hydrogen Technologies £m	Value Businesses £m	Total £m
Metal	2,646	6,116	74	14	89	**8,939**
Heavy Duty Catalysts	953	-	-	-	-	**953**
Light Duty Catalysts	1,620	-	-	-	-	**1,620**
Platinum Group Metal Services	-	374	-	-	-	**374**
Catalysts	-	-	500	-	-	**500**
Licensing	-	-	60	-	-	**60**

Fuel Cells Technology	-	-	-	71	-	**71**
Battery Systems	-	-	-	-	194	**194**
Diagnostic Services	-	-	-	-	37	**37**
Medical Device Components	-	-	-	-	91	**91**
Other	-	-	-	-	4	**4**
Revenue	**5,219**	**6,490**	**634**	**85**	**415**	**12,843**

Revenue from external customers by point in time and over time performance obligations

Year ended 31st March 2025

	Clean Air £m	PGM Services £m	Catalyst Technologies £m	Hydrogen Technologies £m	Value Businesses £m	Total £m
Revenue recognised at a point in time	3,973	6,670	597	68	49	**11,357**
Revenue recognised over time	-	199	116	-	2	**317**
Revenue	**3,973**	**6,869**	**713**	**68**	**51**	**11,674**

Year ended 31st March 2024

	Clean Air £m	PGM Services £m	Catalyst Technologies £m	Hydrogen Technologies £m	Value Businesses £m	Total £m
Revenue recognised at a point in time	5,219	6,307	518	85	387	**12,516**
Revenue recognised over time	-	183	116	-	28	**327**
Revenue	**5,219**	**6,490**	**634**	**85**	**415**	**12,843**

Geographical analysis of revenue from external customers and non-current assets

The group's country of domicile is the UK. Revenue from external customers based on the customer's location and non-current assets based on the location of the assets are disclosed below.

	Revenue from external customers		Non-current assets	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
UK	4,096	3,697	1,082	1,060
Germany	870	1,280	214	227
Rest of Europe	1,064	1,424	300	306
USA	1,973	2,468	421	368
Rest of North America	728	686	16	27

China (including Hong Kong)	1,272	1,375	103	178
Rest of Asia	1,382	1,429	128	137
Rest of World	289	484	4	2
			2,268	**2,305**
Investments at fair value through other comprehensive income			38	40
Derivative financial instruments			4	49
Deferred tax assets			135	128
Post-employment benefit net assets			238	153
Total	**11,674**	**12,843**	**2,683**	**2,675**

Note, to simplify the primary statements we have represented the prior year comparative balances in the Statement of Financial Position to include 'Other financial assets and liabilities' and 'Interest rate swaps' within the singular line 'Derivative financial instruments'. The impact of this has resulted in a reduction in the UK non-current assets balance by £34 million with a corresponding increase in the 'Derivative financial instruments' line.

Major customers

The group received £1.6 billion of revenue from one external customer in the PGM Services business which represents c.13% of the group's revenue from external customers during the year ended 31st March 2025 (2024: £564 million of revenue from one external customer in the PGM Services business which was c.4%). There were no other external customers which represented more than 10% of the group's revenue from external customers during the year ended 31st March 2025 (2024: £1.4 billion of revenue from one external customer in the Clean Air business which was c.10% of the group's revenue from external customers).

Unsatisfied performance obligations

At 31st March 2025, for contracts that had an original expected duration of more than one year, the group had unsatisfied performance obligations of £395 million (2024: £550 million), representing contractually committed revenue to be recognised at a future date. Of this amount, £193 million (2024: £321 million) is expected to be recognised within one year and £202 million (2024: £229 million) is expected to be recognised after one year.

Payment terms

The group and parent company supply goods and services on payment terms that are consistent with those standard across the industry and it does not have any customer contracts with a material financing component. Where revenue is recognised over time, payment terms are generally consistent with the timeframe over which revenue is recognised.

4 Operating profit

Operating profit is arrived at after charging / (crediting):

	2025	2024
	£m	£m
Total research and development expenditure		
Research and development expenditure charged to the income statement	193	204
Less: External funding received from governments	(34)	(26)
Net research and development expenditure charged to the income statement	**159**	**178**
Inventories recognised as an expense	9,959	10,962
Write-down of inventories recognised as an expense	4	38
Reversal of write-down of inventories from increases in net realisable value	(4)	(36)
Past service credit	(14)	-
Depreciation of:		
Depreciation of:		
Property, plant and equipment	124	134
Right-of-use assets	10	10

Depreciation	**134**	**144**
Amortisation of:		
Amortisation of:		
Internally generated intangible assets	-	1
Acquired intangibles	4	4
Other intangible assets	49	43
Amortisation		
Amortisation	**53**	**48**
(Profit) / loss on disposal of businesses (note 26)	**(482)**	**9**
Impairment losses included in administrative expenses	2	-
Impairment losses (note 5)	**2**	**-**
Impairment losses and reversals included in major impairment and restructuring charges	217	70
Restructuring charges included in major impairment and restructuring charges	112	78
Major impairment and restructuring charges (note 6)	**329**	**148**

	2025	2024
	£m	£m
Fees payable to the company's auditor and its associates for:		
The audit of the company accounts	2.9	2.7
The audit of the accounts of the company's subsidiaries	2.4	2.4
Total audit fees	**5.3**	**5.1**
Audit-related assurance services	0.4	0.4
Total non-audit fees	**0.4**	**0.4**
Total fees payable to the company's auditor and its associates	**5.7**	**5.5**

No audit fees were paid to other auditors (2024: £nil).

Audit-related assurance services predominantly comprise of reviews of interim financial information.

5 Impairment losses

Impairment testing

The group and parent company test goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). The recoverable amounts of the CGUs are determined using value in use calculations which generally use extrapolated 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 size and share, impact of carbon pricing, 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. We also considered how climate change will affect the future cash flows of the CGUs based on internal and external expert guidance.

In addition, we review the carrying amounts of the group's and parent company's non-financial assets, including property, plant and equipment to determine whether any indications of impairment exist. Where an indication exits, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the CGU to which the asset belongs.

Impairment loss

During the year ended 31st March 2025, following our review for impairment triggers, an impairment loss of £2 million (2024: £nil) has been recognised in the group income statement within underlying operating profit. Impairment losses of £217 million (2024: £70 million) have been recognised by the group in major impairments and restructuring (see note 6).

Hydrogen Technologies

The carrying amount of the Hydrogen Technologies CGU comprising attributable net assets of £201 million, of which £145 million relates to property, plant and equipment, was tested for impairment at 31st March 2025. This was following a strategic review due to indicators of a further slow-down in the transition to hydrogen fuel cell and electrolyser technologies due to ongoing global challenges with supply chains and investment costs for developing new infrastructure and projects. Management's latest demand forecasts, informed by changes in published industry projections for the broader hydrogen economy, have shown a reduction of approximately 40% compared to internal demand forecasts prepared in 2024. Uncertainty in market prospects has increased this year with the change in US Administration, including the potential impact of proposed US import tariffs that could significantly impact on the manufacturing base for Hydrogen Technologies. Furthermore, clean energy policies and legislation issued in the US under the Biden Administration such as Clause 45V of the Inflation Reduction Act and support for 'hydrogen hubs' across the country, are coming under increasing pressure by the new Administration. No balance of goodwill is allocated to the Hydrogen Technologies CGU. The recoverability of the carrying amount of the Hydrogen Technologies CGU has been assessed against its estimated value in use at the reporting period end date applying the key assumptions detailed below. Following this review, management has determined an impairment of £105 million is required. The residual value after impairment is broadly split equally between inventory and property, plant and equipment.

In estimating value in use, cash flows represent net operating income, less non-cash charges such as depreciation and amortisation, and ongoing investment in working capital to support the business. Capital investment is only included to maintain the existing asset base, including manufacturing assets recently completed that have not yet been brought into use, and does not include investment for any future capacity expansion. Unallocated corporate costs are considered in the model based on the CGUs share of contribution. Cash flows for the next three years are forecasted based on commercial performance derived from expected customer demand and operational performance derived from manufacturing capability in existing plants. This shows the business moving from its current loss-making position to being operating cash positive and reaching operating profit margins consistent with historical group performance. Forecasts for years four to ten assume growth in the business based on a compound annual growth rate that management believes appropriately reflects the pace of development of the market over that period and improved operational performance from integrating new manufacturing assets already built. After this period, growth is estimated to be in line with a long-term growth rate of 3.0%. These are key areas of management estimate and have been considered in the context of the group's historical performance and leading technological position in the market for fuel cells and electrolysers but also recognising the industry challenges around scale up given the global value chain remains in an early stage of development. Should the market not develop as expected or meet the overall market scale forecast by management, then this could give rise to further impairment in future periods. Management has considered the impact of the forecasted pace of market development and determined that if future market growth was delayed by one year, with no mitigating actions taken, then this would give rise to an additional impairment of approximately £40 million in this year's financial statements. Management has assessed the sensitivity of the long-term growth rate and operating profit margin and determined that a 1% decrease in these assumptions would not have a material impact on the carrying amount of the CGU.

The estimated recoverable amount of the Hydrogen Technologies CGU is less than its carrying amount by £105 million using a pre-tax discount rate of 17.1% which is derived from the group's post-tax weighted average cost of capital of 8.8% and adjusted for the risks applicable to the CGU. Management has determined that recent increased uncertainty in global political commitment to the clean energy transition, notably in its largest prospective markets, and heightened trade and energy protectionism, have warranted a higher risk adjustment this year than used in last year's assessment (2024 pre-tax discount rate: 13.0%). Management has assessed the sensitivity of this assumption and determined that an increase to the post-tax weighted average cost of capital of 1% would decrease the carrying amount of the CGU by approximately £13 million.

Goodwill

Significant CGUs

Goodwill arising on the acquisition of businesses is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. These CGUs represent the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets. Goodwill allocated to the significant CGUs is as follows:

	2025	2024
	£m	£m

Clean Air		
- Heavy Duty Catalysts	82	84
Catalyst Technologies	263	264
Other	2	5
Total carrying amount at 31st March (note 13)	**347**	**353**

Key assumptions used in value in use

Unallocated corporate costs are split between CGUs based on their share of contribution. The three-year cash flows are extrapolated using the long term average growth rates for the relevant products, industries and countries in which the CGUs operate.

The expected economic life of the Heavy Duty Catalysts has been restricted to 2040 reflecting internal climate change targets and impact of legislation changes. The terminal year assumption is reassessed annually based on market outlook and consensus. In the medium term, growth will come from tightening emissions legislation driving demand for more sophisticated catalyst systems. Beyond the medium term, the world will increasingly use alternatives to the internal combustion engine which is reflected in the long-term decline rate used in our modelling.

Pre-tax discount rates, derived from the group's post-tax weighted average cost of capital of 8.8% (2024: 8.9%), adjusted for the risks applicable to each CGU are used to discount these projected risk-adjusted cash flows.

The key assumptions are:

	Discount rate		Long term growth rate	
	2025	2024	**2025**	2024
Clean Air				
- Heavy Duty Catalysts	**13.4%**	13.8%	**-11.5%**	-11.5%
Catalyst Technologies	**11.5%**	11.1%	**3.0%**	3.0%

Different long term growth rates are used for the Clean Air - Heavy Duty Catalysts CGU because of expected macroeconomic trends in the industry in which the business operates. The growth rate for years four to ten is expected to be -4.9% (2024: -3.9%). After that, growth is expected to decline further and, therefore, the long term growth rate above is used for year eleven onwards.

Sensitivity analysis

The headroom for the significant CGUs, calculated as the difference between net assets including allocated goodwill at 31st March 2025 and the value in use calculations, is shown below. The table also shows, for each significant CGU, the headroom assuming a 1% decrease in the growth rate assumption and a 1% increase in the discount rate assumption used in the value in use calculations.

	Headroom as at 31st March 2025	Headroom assuming a 1% decrease in the growth rate	Headroom assuming a 1% increase in the discount rate
	£m	£m	£m
Clean Air			
- Heavy Duty Catalysts	263	244	235
Catalyst Technologies	415	264	251

A reduction in the Heavy Duty Catalysts CGU's expected economic life by one year reduces headroom by approximately £10 million from £263 million. We don't expect an impairment in the near term in Clean Air despite the declining long-term assumptions.

A reduction in operating margin of 1% in the Catalyst Technologies CGU in each of the future years, with no mitigating actions taken, reduces headroom by approximately £104 million from £415 million.

6 Major impairment and restructuring charges

The below amounts are excluded from the underlying operating profit of the group.

	2025 £m	2024 £m
Property, plant and equipment	177	22
Right-of-use assets	1	1
Goodwill	-	6
Other intangible assets	38	-
Inventories	1	29
Trade and other receivables	-	12
Impairment losses and reversals	**217**	**70**
Restructuring charges	**112**	**78**
Total major impairment and restructuring charges	**329**	**148**

Major impairment and restructuring charges are shown separately on the face of the income statement and excluded from underlying operating profit (see note 33).

Major impairments - the group's impairment charge of £217 million includes a £105 million impairment to the Hydrogen Technologies cash generating unit, refer to note 5 for further information. The group has also incurred the following impairments during the year:

- £67 million impairment to the group's China related assets, comprised of:
  - £22 million in Clean Air following the decision in October 2024 to close a production line at a site in China to increase efficiency and line capacity of the existing lines;
  - £18 million in Hydrogen Technologies following the decision in February 2025 to exit the fuel cell market in China; and
  - £27 million in PGM Services following a strategic review of the China Refining plant in March 2025 driven by the decline in its cash flows and also our exit from the fuel cell market in China.

  In assessing the recoverable amount of such assets, management has considered the higher of fair value less costs to sell and value-in-use. For the Hydrogen Technologies and PGM Services' China assets, this resulted in a nil or immaterial recoverable value. The carrying amount of the CGU for the Clean Air China's production line exceeded its value-in-use and there were no material sensitivities applicable.
- £29 million to the group's intangible assets (excluding £9 million included in the Hydrogen Technologies CGU impairment outlined above), comprised of £18 million following a strategic review of and subsequent changes to our IT operating model completed in June 2024 which identified that certain IT assets have been impaired and £11 million for other divisional IT assets where projects are no longer being completed. These assets have a nil residual value.

There was a further impairment of £11 million in Hydrogen Technologies. This related to the cessation of construction of a plant in the United States of America, in response to lower demand forecasts. As these assets are not completed it was determined the fair value less costs to sell is immaterial.

The remaining impairment charge of £5 million is primarily to production related assets in Clean Air related to our ongoing Clean Air plant consolidation initiatives as the business continues to consolidate its existing capacity into new and more efficient plants and the group streamlines its operations globally.

Major restructuring - the group's transformation programme was launched in May 2022 and was designed to drive increased competitiveness, improved execution capability and create financial headroom to facilitate further investment in high growth areas. Restructuring charges of £112 million have been recognised of which £43 million relates to Johnson Matthey Global Solutions, IT transformation and running the transformation programme, with £29 million other redundancy and implementation costs. The remaining £40 million charge is related to our ongoing Clean Air plant consolidation initiatives and other divisional restructuring as we streamline the group (including reducing headcount), of which the majority is redundancy and exit costs.

7 Employee information

Employee numbers

	2025	2024
Clean Air	4,739	5,283
PGM Services	1,950	2,022
Catalyst Technologies	1,870	1,773
Hydrogen Technologies	432	616
Value Businesses	156	1,119
Corporate[1]	1,497	1,442
Monthly average number of employees	**10,644**	**12,255**

[1] The Corporate segment includes global functions serving our business units including finance, procurement, HR and IT.

	2025 £m	2024 £m
Wages and salaries	551	596
Social security costs	60	64
Post-employment costs (note 24)	39	53
Share-based payments (note 29)	18	17
Termination benefits	7	16
Employee benefits expense	**675**	**746**

8 Investment income and financing costs

	2025 £m	2024 £m
Net loss on remeasurement of foreign currency swaps held at fair value through profit or loss	(13)	(14)
Interest payable on financial liabilities held at amortised cost and interest on related swaps	(72)	(81)
Interest payable on other liabilities[1]	(53)	(49)
Interest payable on lease liabilities	(2)	(2)
Interest payable on post-employment benefits	(2)	-
Total finance costs	**(142)**	**(146)**
Net gain on remeasurement of foreign currency swaps held at fair value through profit or loss	3	6
Interest receivable on financial assets held at amortised cost	17	13
Interest receivable on other assets[1]	59	38
Interest receivable on post-employment benefits	8	7

Total investment income	**87**	**64**
Net finance costs	**(55)**	**(82)**

[1] Interest payable and receivable on other liabilities and assets mainly comprises interest on precious metal leases and the amortisation of contango and backwardation on precious metal inventory and sale and repurchase agreements.

9 Tax expense

	2025	2024
	£m	£m
Current tax		
Corporation tax on profit for the year	132	89
Adjustment for prior years	(19)	(21)
Total current tax	**113**	**68**
Deferred tax		
Origination and reversal of temporary differences	5	(34)
Adjustment for prior years	(5)	22
Total deferred tax (note 23)	**-**	**(12)**
Tax expense	**113**	**56**

The tax expense can be reconciled to profit before tax in the income statement as follows:

	2025	2024
	£m	£m
Profit before tax	**486**	**164**
Tax expense at UK corporation tax rate of 25% (2024: 25%)	122	41
Effects of:		
Overseas tax rates	(16)	(17)
Expenses not deductible for tax purposes	16	34
Losses and other temporary differences not recognised	36	11
Adjustment for prior years	(24)	(1)
Patent box / Innovation box	(12)	(10)

Patent box / Innovation box	(12)	(10)
Other tax incentives	(8)	(2)
Disposal of businesses	-	(2)
Pillar Two top up tax	3	-
Other	(4)	2
Tax expense	**113**	**56**

Adjustments for prior years includes current and deferred tax adjustments primarily in respect of India, Malaysia, Poland, South Africa, USA and the UK.

Other tax incentives include research and development tax incentives in the UK, US and China.

Other movements mainly include movements in respect of provisions for uncertain tax positions.

The group is in scope under the UK Pillar Two rules in respect of the multi-national top up tax, by virtue of the ultimate parent company being tax resident in the UK. Pillar Two legislation has been enacted in the UK, as well as several other territories where the group operates, and became effective for the group from the start of this financial period.

The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two model rules, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ('GloBE') effective tax rate per jurisdiction and the 15% minimum rate. We have undertaken an assessment of the group's potential to additional taxes under Pillar Two and conclude that, for the year ended 31st March 2025, the group is expected to meet the exemptions in the Transitional Country by Country Reporting ('CbCR') safe harbours in all tax jurisdictions in which it operates, except for Bermuda, Hong Kong, the Netherlands, Poland, North Macedonia and Switzerland. Income tax expense recognised in the consolidated statement of profit and loss for the year ended 31st March 2025 includes £3 million (2024: Not applicable) related to Pillar Two income taxes. This component of current tax expense mainly relates to profits earned in Bermuda and North Macedonia. The group will keep the position under review for future periods.

The group is continuing to assess the impact of the Pillar Two income taxes legislation and related updates on its future financial performance.

10 Earnings per ordinary share

Earnings per ordinary share have been calculated by dividing profit for the year by the weighted average number of shares in issue during the year.

	2025 **pence**	2024 pence
Earnings per share		
Basic	**211.8**	58.6
Diluted	**211.2**	58.3

	2025	2024
Earnings (£ million)		
Basic and diluted earnings	**373**	**108**
Weighted average number of shares in issue		
Basic	175,966,787	183,392,681
Dilution for long-term incentive plans	449,667	859,636
Diluted	**176,416,454**	**184,252,317**

Presented earnings per ordinary share have been calculated using unrounded numbers.

The weighted average number of shares differs from the outstanding shares in issue as at 31st March 2025 due to the impact of the share buyback and subsequent cancellation of shares in the year. Refer to note 25 for further information.

11 Property, plant and equipment

	Land and buildings	Leasehold improvements	Plant and machinery	Assets in the course of construction	Total
	£m	£m	£m	£m	£m

Cost					
At 1st April 2023	599	28	2,151	360	3,138
Additions	2	-	39	284	325
Transferred to assets classified as held for sale	-	(4)	(66)	(4)	(74)
Transfers from assets in the course of construction	12	1	102	(115)	-
Disposals	(1)	(2)	(27)	(5)	(35)
Disposal of businesses	(1)	-	(4)	-	(5)
Exchange adjustments	(20)	-	(52)	(5)	(77)
At 31st March 2024	**591**	**23**	**2,143**	**515**	**3,272**
Additions	1	1	24	294	**320**
Transfers from assets in the course of construction	25	1	123	(149)	**-**
Transfers to other intangible assets (note 14)	-	-	(3)	(18)	**(21)**
Reclassification	-	-	-	2	**2**
Disposals	-	(3)	(21)	-	**(24)**
Exchange adjustments	(12)	-	(34)	(1)	**(47)**
At 31st March 2025	**605**	**22**	**2,232**	**643**	**3,502**
Accumulated depreciation and impairment					
At 1st April 2023	284	15	1,499	8	1,806
Charge for the year	16	1	114	3	134
Impairment losses (notes 5 and 6)	-	-	20	9	29
Transferred to assets classified as held for sale	-	(2)	(47)	(3)	(52)
Disposals	(1)	(2)	(25)	(5)	(33)
Disposal of businesses	(1)	-	(4)	-	(5)
Exchange adjustments	(8)	-	(35)	-	(43)
At 31st March 2024	**290**	**12**	**1,522**	**12**	**1,836**
Charge for the year	15	1	108	-	**124**
Impairment losses (notes 5 and 6)	25	-	54	100	**179**
Reclassification	-	-	2	-	**2**
Disposals	-	(3)	(21)	-	**(24)**
Exchange adjustments	(5)	1	(22)	-	**(26)**
At 31st March 2025	**325**	**11**	**1,643**	**112**	**2,091**
Carrying amount at 31st March 2025	**280**	**11**	**589**	**531**	**1,411**
Carrying amount at 31st March 2024	301	11	621	503	1,436
Carrying amount at 1st April 2023	315	13	652	352	1,332

Finance costs capitalised were £5 million (2024: £5 million) and the capitalisation rate used to determine the amount of finance costs eligible for capitalisation was 3.8% (2024: 3.3%).

During the year, the group recognised impairments of £179 million. £177 million of the impairment charge is included in non-underlying expenses, with £2 million included in administrative expenses within underlying operating profit.

During the prior year, the group recognised impairments of £29 million. The impairment charge was included in non-underlying expenses.

The assets transferred to held for sale in the prior year relate to Medical Device Components (see note 26).

12 Leases

Leasing activities

The group leases some of their property, plant and equipment which are used by the group company in their operations.

Right-of-use assets

	Land and buildings £m	Plant and machinery £m	Total £m
At 31st March 2024	**36**	**4**	**40**
New leases, remeasurements and modifications	22	-	**22**
Depreciation charge for the year	(9)	(1)	**(10)**
Impairment losses (note 6)	(1)	-	**(1)**
Exchange adjustments	1	1	**2**
At 31st March 2025	**49**	**4**	**53**

Lease liabilities

	2025 £m	2024 £m
Current	6	8
Non-current	40	24
Total liabilities	**46**	**32**

	2025 £m	2024 £m
Interest expense	2	2

The weighted average incremental borrowing rate applied to the group's lease liabilities was 4.2% (2024: 5.2%).

A maturity analysis of lease liabilities is disclosed in note 27.

	2025 £m	2024 £m
Total cash outflow for leases	9	13

The expense relating to low-value and short-term leases is immaterial.

13 Goodwill

	£m
Cost	
At 1st April 2023	431
Transferred to assets classified as held for sale	(1)
Exchange adjustments	(4)
At 31st March 2024	**426**
Exchange adjustments	(6)
At 31st March 2025	**420**

Accumulated impairment	
At 1st April 2023	67
Impairment losses	6
At 31st March 2024	**73**
At 31st March 2025	**73**
Carrying amount at 31st March 2025	**347**
Carrying amount at 31st March 2024	353
Carrying amount at 1st April 2023	364

During the prior year, goodwill related to Battery Systems was fully impaired by £6 million to reflect the fair value less costs to sell of the business upon reclassification to assets held for sale. Goodwill of £1 million attributed to the Medical Device Components sale was transferred to assets classified as held for sale.

14 Other intangible assets

	Customer contracts and relationships	Computer software	Patents, trademarks and licences	Acquired research and technology	Development expenditure	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1st April 2023	116	475	43	37	135	806
Additions	-	64	1	-	-	65
Transferred to assets classified as held for sale	(10)	(1)	-	(6)	-	(17)
Disposals	-	(1)	(11)	-	-	(12)
Exchange adjustments	(3)	(1)	(1)	(1)	(1)	(7)
At 31st March 2024	**103**	**536**	**32**	**30**	**134**	**835**
Additions	-	54	-	-	2	**56**
Disposals	-	(1)	-	-	-	**(1)**
Transfers from property, plant and equipment (note 11)	-	21	-	-	-	**21**
Reclassification	-	(3)	-	-	3	**-**
Exchange adjustments	-	-	(1)	-	-	**(1)**
At 31st March 2025	**103**	**607**	**31**	**30**	**139**	**910**

Accumulated amortisation and impairment						
At 1st April 2023	101	209	39	37	133	519
Charge for the year	2	45	-	-	1	48
Transferred to assets classified as held for sale	(10)	(1)	-	(6)	-	(17)
Disposals	-	-	(11)	-	-	(11)
Exchange adjustments	(2)	(1)	-	(1)	(1)	(5)
At 31st March 2024	**91**	**252**	**28**	**30**	**133**	**534**
Charge for the year	3	48	1	-	1	**53**
Impairment losses (note 6)	-	38	-	-	-	**38**
Disposals	-	(1)	-	-	-	**(1)**
Exchange adjustments	-	-	(1)	-	(1)	**(2)**
At 31st March 2025	**94**	**337**	**28**	**30**	**133**	**622**
Carrying amount at 31st March 2025	**9**	**270**	**3**	**-**	**6**	**288**
Carrying amount at 31st March 2024	12	284	4	-	1	301
Carrying amount at 1st April 2023	15	266	4	-	2	287

15 Investments in associates

	2025 £m	2024 £m
Investments in associates	**71**	**71**

The movements in the year were:

	Associates £m
At 1st April 2023	75
Group's share of loss for the year	(3)
Exchange adjustments	(1)
At 31st March 2024	**71**
Group's share of profit for the year	3
Exchange adjustments	(3)

As part of the disposal of our Health business in the year ended 31st March 2023, we received £75 million in the form of shares which constitutes an approximately 30% equity interest in the re-branded business, Veranova Parent Holdco L.P. ('Veranova'). The group has determined that it has significant influence and therefore has equity accounted this stake as an investment in associate.

Financial information for Veranova for the year to 31st March 2025 is provided below, note Veranova's financial year end is 31st December. The information disclosed reflects the amounts presented in the financial statements of Veranova and not the group's share of those amounts.

	2025 £m	2024 £m
Summarised balance sheet		
Non-current assets	100	93
Cash and cash equivalents	28	30
Other current assets	153	267
Current assets	**181**	**297**
Current liabilities	(55)	(155)
Non-current liabilities	-	(8)
Net assets	**226**	**227**

Summarised statement of comprehensive income		
Revenue	220	255
Depreciation and amortisation	(11)	(17)
Income tax expense	-	1
Profit / (loss) for the year and total comprehensive income / (expense)	6	(9)

16 Inventories

	2025 £m	2024 £m
Raw materials and consumables	244	289
Work in progress	501	591
Finished goods and goods for resale	266	331
Inventories	**1,011**	**1,211**

Work in progress includes £273 million (2024: £315 million) of precious metal which is committed to future sales to customers and valued at the price at which it is contractually committed.

Write-downs of inventories amounted to £4 million (2024: £38 million). These were recognised as an expense during the year ended 31st March 2025 and included in cost of sales in the income statement.

17 Trade and other receivables

	2025 £m	2024 £m
Current		
Trade receivables	925	964
Contract receivables	53	56
Prepayments	70	74

Value added tax and other sales tax receivable	116	121
Advance payments to customers	7	18
Amounts receivable under precious metal sale and repurchase agreements[1]	282	417
Other receivables	79	68
Trade and other receivables	**1,532**	**1,718**
Non-current		
Advance payments to customers	40	44
Other receivables	58	60
Other receivables	**98**	**104**

[1] The fair value of the precious metal contracted to be sold by the group under sale and repurchase agreements is £300 million (2024: £398 million).

The group enters into factoring type arrangements in a small number of countries as part of normal business due to longer than standard payment terms, we seek to collect payments in the month following sale. As at 31st March 2025, the level of these arrangements was approximately £135 million (2024: approximately £165 million).

Trade receivables and contract receivables are net of expected credit losses (see note 27).

18 Derivative financial instruments

	2025 £m	2024 £m
Non-current assets		
Forward foreign exchange contracts designated as cash flow hedges	-	1
Forward precious metal price contracts designated as cash flow hedges	-	33
Cross currency and interest rate swaps	4	15
Derivative financial instruments	**4**	**49**
Current assets		
Forward foreign exchange contracts designated as cash flow hedges	7	7
Forward precious metal price contracts designated as cash flow hedges	31	41
Forward foreign exchange contracts and currency swaps at fair value through profit or loss	4	5
Cross currency and interest rate swaps	13	-
Derivative financial instruments	**55**	**53**
Current liabilities		
[illegible]	[illegible]	[illegible]

Forward foreign exchange contracts designated as cash flow hedges	(2)	(5)
Forward foreign exchange contracts and currency swaps at fair value through profit or loss	(11)	(4)
Foreign exchange swaps designated as hedges of a net investment in foreign operations	-	(2)
Cross currency and interest rate swaps	(1)	-
Derivative financial instruments	**(14)**	**(11)**
Non-current liabilities		
Cross currency and interest rate swaps	(9)	(10)
Derivative financial instruments	**(9)**	**(10)**

Note, to simplify the primary statements we have represented the prior year comparative balances in the Statement of Financial Position to include 'Other financial assets and liabilities' and 'Interest rate swaps' within the singular line 'Derivative financial instruments'. The prior year balance is not considered material and therefore has not been represented.

19 Trade and other payables

	2025	2024
	£m	£m
Current		
Trade payables	667	655
Contract liabilities	105	177
Accruals	310	328
Amounts payable under precious metal sale and repurchase agreements[1]	669	844
Other payables	233	205
Trade and other payables	**1,984**	**2,209**
Non-current		
Other payables	6	2
Trade and other payables	**6**	**2**

[1] The fair value of the precious metal contracted to be repurchased by the group under sale and repurchase agreements is £687 million (2024: £797 million).

The amount of the contract liabilities balance at 31st March 2024 which was recognised in revenue during the year ended 31st March 2025 for the group company was £150 million (2024: £85 million).

20 Borrowings

	2025	2024
	£m	£m
Non-current		
Bank and other loans		
3.14% 130 million Bonds 2025	-	(103)
1.40% €77 million Bonds 2025	-	(64)
2.54% £45 million Bonds 2025	-	(45)
3.79% 130 million Bonds 2025	-	(103)
3.97% 120 million Bonds 2027	(93)	(95)
SONIA + 1.25% UKEF EDG £ Facility 2028	(250)	(248)
EURIBOR + 1.20% UKEF EDG € Facility 2028	(148)	(153)
3.39% 180 million Bonds 2028	(138)	(142)
1.81% €90 million Bonds 2028	(68)	(71)
2.77% £35 million Bonds 2029	(35)	(35)
3.00% 50 million Bonds 2029	(39)	(40)
4.10% 30 million Bonds 2030	(23)	(24)
2.92% €25 million Bonds 2030	(21)	(21)
5.02% 95 million Bonds 2031	(73)	-
4.03% €125 million Bonds 2031	(104)	-
1.90% €225 million Bonds 2032	(188)	(192)
5.18% 34 million Bonds 2034	(26)	-
4.19% €94 million Bonds 2034	(78)	-
4.32% €20 million Bonds 2036	(17)	-
Cross currency interest rate swaps designated as net investment hedges	-	(3)
Borrowings	**(1,301)**	**(1,339)**

	2025	2024
Current		
3.57% £65 million Bonds 2024	-	(65)
3.565% 50 million KfW loan 2024	-	(40)
3.14% 130 million Bonds 2025	(100)	-
1.40% €77 million Bonds 2025	(63)	-
2.54% £45 million Bonds 2025	(45)	-
3.79% 130 million Bonds 2025	(100)	-
Other bank loans	(25)	(5)
Borrowings	**(333)**	**(110)**

The 1.40% €77 million Bonds 2025 and the 1.81% €90 million Bonds 2028 have been swapped into floating rate euros. 100 million of the 3.14% 130 million Bonds 2025 has been swapped into sterling at 2.83%, the 3.00% 50 million Bonds 2029 has been swapped into euros at 1.71%, 50 million of the 5.02% 95 million Bonds 2031 has been swapped into sterling at 5.37%, 45 million of the 5.02% 95 million Bonds 2031 has been swapped into sterling at 5.20% and the 5.18% 34 million Bonds 2034 has been swapped at sterling at 5.31%.

All borrowings bear interest at fixed rates with the exception of the UKEF EDG EUR and GBP facilities which bear interest at 6 Months EURIBOR plus 1.20% and SONIA plus 1.25% and bank overdrafts, which bear interest at commercial floating rates.

The margins on the UKEF EDG financing are impacted by the group's ability to meet targets around the reduction in its scope 1 and 2 emissions. The final repayment amounts for the following bonds (issued in 2022) are also impacted by the group's ability to meet targets around the reduction in its scope 1 and 2 emissions:

- 2.77% £35 million Bonds 2029
- 3.00% 50 million Bonds 2029
- 1.90% €225 million Bonds 2032

Note, to simplify the primary statements we have represented the Statement of Financial Position to include the current year 'Cross currency interest rate swaps designated as net investment hedges' within the line 'Derivative financial instruments', refer to note 18. The prior year balance is not considered material and therefore has not been represented.

(see RNS number 4802M for Appendix Part 2)

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