

**MORGAN GUARANTY EXECUTOR AND TRUSTEE
COMPANY LIMITED**
(Registered Number: 00210798)

Annual report for the year ended 31 December 2019



MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED
Annual report for the year ended 31 December 2019

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MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Strategic report

The directors present their strategic report of Morgan Guaranty Executor and Trustee Company Limited (the "Company") for the year ended 31 December 2019.

Overview

The Company is incorporated and domiciled in England and Wales. It is an indirect subsidiary of JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm"). JPMorgan Chase is a financial holding Company incorporated under Delaware law in 1968, it is a leading global financial services firm and one of the largest banking institutions in the United States of America ("U.S."), with operations worldwide. The Company had £380,979 in assets and £130,469 in total shareholders' equity as of 31 December 2019.

Review of business and future outlook

Income statement:

The results for the year are set out on page 4 and show the Company's result for the financial year is £nil (2018: profit of £36).

Balance sheet:

The balance sheet is set out on page 5. The Company has total assets and total liabilities of £380,979 (2018: £380,979) and £250,510 (2018: £250,510) respectively as at 31 December 2019.

Future outlook

Taking into account the financial position of the Company and its ability to meet its liabilities as they fall due, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Firm and are not managed separately. The Company is a holding Company and its greatest risk lies in the value of investments. An impairment assessment of the value of investment in subsidiary undertakings is conducted at least once a year.

On behalf of the Board



Name: James Chatters

Director

Date: 9 September 2020

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Directors' report

The directors present their report and the audited financial statements for Morgan Guaranty Executor and Trustee Company Limited (the "Company") for the year ended 31 December 2019. The Company is part of JPMorgan Chase & Co. (together with its subsidiaries, the "Firm" or "JPMorgan Chase"). The Company's registration number is 00210798.

Refer to the Strategic Report for future outlook.

Results and dividends

The results for the year are set out on page 4 and show the Company's result for the financial year is £nil (2018: profit of £36).

No dividend was paid or proposed during the year (2018: £nil).

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements were as follows

J.R. Hobson (Resigned on 29 March 2019)
J. Chatters
M.S. Allen

Directors' interest

None of the directors has any beneficial interest in the Company. The Company is a subsidiary of a Company incorporated outside England and Wales. The ultimate holding Company is a body corporate incorporated outside England and Wales. The directors are not required to notify the Company of any interests in shares of that or any other body incorporated outside England and Wales.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the transitional relief provisions for transition to Financial Reporting Standard ("FRS") 102 which states that "a Company within the Companies Act definition of a dormant Company can elect to retain its accounting policies for reported assets, liabilities and equity at the date of transition to this FRS until there is any change to those balances or the Company takes on any new transactions".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Qualifying third party indemnity provision

An indemnity is provided to the directors of the Company under the By-laws of JPMorgan Chase & Co. against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and also at the date of approval of the financial statements. A copy of the by-laws of JPMorgan Chase & Co is available at the registered office address of the Company.

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Directors' report (continued)

Company secretary

The secretary of the Company who served during the year was as follows:

J.P. Morgan Secretaries (UK) Limited

Registered address

25 Bank Street
Canary Wharf
London
E14 5JP
England and Wales

Independent auditors

The financial statements have not been audited as the Company is entitled to exemption from audit under sections 479 and 480 of the Companies Act 2006 relating to dormant companies.

Members have not required the Company to obtain an audit of its financial statements for the period in accordance with section 476 of the Companies Act 2006.

On behalf of the Board



Name: James Chatters

Director

Date: 9 September 2020

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Income Statement

Year ended 31 December		2019 (Unaudited)	2018
	Note	£	£
Interest and similar income	5	—	36
Profit on ordinary activities before taxation	6	—	36
Tax on result on ordinary activities	8	—	—
Profit for the financial year		—	36

The notes on pages 7 - 11 form an integral part of the financial statements.

Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above (2018: £nil). As a result, profit for the financial year represents total comprehensive income in both the current and prior financial year.

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Balance sheet

31 December		2019 (Unaudited)	2018
	Notes	£	£
Non current assets			
Investments in JPMorgan Chase undertakings	9	250,002	250,002
Total non current assets		250,002	250,002
Current assets			
Debtors	10	130,977	130,977
Total current assets		130,977	130,977
Total assets		380,979	380,979
Current liabilities			
Creditors: amounts falling due within one year	11	(508)	(508)
Net current assets		130,469	130,469
Total assets less current liabilities		380,471	380,471
Creditors: amounts falling due after more than one year	12	(250,002)	(250,002)
Net assets		130,469	130,469
Equity			
Called up share capital	13	100,958	100,958
Retained earnings		29,511	29,511
Total equity		130,469	130,469

For the period ended 31 December 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant Companies.

Directors' responsibilities:

- i. Members have not required the Company to obtain an audit of its accounts for the period in accordance with section 476 of the Companies Act 2006.
- ii. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to Companies subject to the small Companies' regime.

The notes on pages 7 - 11 form an integral part of these financial statements.

The financial statements on pages 4 - 11 were approved by the Board of Directors on 9 September 2020 and signed on its behalf by:



Name: James Chatters

Director

Date: 9 September 2020

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED
Statement of changes in equity

	Called up share capital	Retained earnings	Total Equity
	£	£	£
Balance as at 1 January 2018	100,958	29,475	130,433
Result for the financial year	—	36	36
Balance as at 31 December 2018	100,958	29,511	130,469
Result for the financial year	—	—	—
Balance as at December 31, 2019 (Unaudited)	100,958	29,511	130,469

The notes on pages 7 - 11 form an integral part of these financial statements.

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Notes to the financial statements

1. General information

The Company is a private limited entity incorporated and domiciled in England and Wales. The Company is a wholly-owned subsidiary of JPMorgan Chase Bank N.A., which is one of the principal subsidiaries of JPMorgan Chase ("the Firm" or "JPMorgan Chase"). The Company's ultimate parent undertaking, and the parent undertaking of the only group in which the results of the Company are consolidated, is JPMorgan Chase & Co. (the "Firm" or "JPMorgan Chase"), which is incorporated in the state of Delaware in the United States of America. The consolidated financial statements can be obtained from the Company's registered office at 25 Bank Street, Canary Wharf, London, E14 5JP, England and Wales.

Principal activity

The Company's principal activity during the year was to act as a holding Company. The subsidiaries of the Company are dormant.

2. Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). Until last year as the balances of the Company changed, the Company had adopted Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101") for preparation of the financial statements. FRS 101 applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU") with reduced disclosures. In the current period, in preparing these financial statements, the Company has elected to apply the FRS 102 dormant Company exemption and retain its accounting policies for reported assets, liabilities and equity at the transition date until such time that there is a change to those balances or the Company enters into new transactions.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable to Companies under FRS 102.

3. Critical accounting estimates and judgements

The preparation of financial statements generally requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. Due to the nature of Company's business and balances, no significant accounting estimates or judgements were required in preparation of these financial statements.

4. Significant accounting policies

The following are the significant accounting policies applied in the preparation of these financial statements. These policies have been applied consistently in each of the years presented, unless otherwise stated.

4.1 Consolidation

The Company is a subsidiary undertaking of JPMorgan Chase Bank N.A, a company incorporated in the United States of America and of its ultimate parent, JPMorgan Chase a company incorporated in the United States of America. It is included in the consolidated financial statements of JPMorgan Chase & Co. which are publicly available. Therefore, the Company has elected not to prepare group financial statements in accordance with the dispensation set out in Section 401 of the Companies Act 2006.

4.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into GBP at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

4.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). GBP is considered as the functional and presentation currency of the Company.

4.4 Financial instruments

4.4.1 Financial assets and financial liabilities

i. Recognition of financial assets and financial liabilities

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Company commits to purchase or sell an asset.

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Notes to the financial statements (continued)

4. Significant accounting policies (continued)

4.4 Financial Instruments (continued)

4.4.1 Financial assets and financial liabilities (continued)

ii. Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified and measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

On initial recognition, financial liabilities are classified as measured at either amortised cost or fair value through profit or loss.

a) *Financial assets and financial liabilities measured at amortised cost*

Financial assets are measured at amortised cost if they are held under a business model with the objective to collect contractual cash flows ("Hold to Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. As a result of the application of these criteria, only debt financial assets are eligible to be measured at amortised cost.

Financial assets measured at amortised cost include debtors.

Financial liabilities are measured at amortised cost unless they are held for trading or a designated as measured at fair value through profit or loss. Financial liabilities measured at amortised cost include amount owed to other JP Morgan Chase undertakings.

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value including transaction costs. The initial amount recognised is subsequently reduced for principal repayments and for accrued interest using the effective interest method. In addition, the carrying amount of financial assets is adjusted by recognising an expected credit loss allowance through the profit or loss.

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability.

4.4.2 Interest income and expense

Unless a financial asset is credit-impaired, interest income is recognised by applying the effective interest method to the carrying amount of a financial asset before adjusting for any allowance for expected credit losses. If a financial asset is credit-impaired, interest income is recognised by applying the effective interest rate to the carrying amount of the financial asset including any allowance for expected credit losses.

4.5 Expense recognition

Expenses are recognised when the underlying contract becomes legally binding or at the agreed due date if later.

4.6 Investments in JPMorgan Chase undertakings

Investments in JPMorgan Chase undertakings are stated at cost less provision for any impairment.

4.7 Impairment of Investment in JPMorgan Chase undertakings

The Company assesses at each balance sheet date whether there is any objective evidence that Investments in JPMorgan Chase undertakings are impaired. The impairment review includes a comparison of the carrying amount with its recoverable amount, which is based on the net asset value of the investee company at the balance sheet date.

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Notes to the financial statements (continued)

4. Significant accounting policies (continued)

4.8 Current taxation

Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

5. Interest and similar income

	2019 (Unaudited)	2018
	£	£
Interest and similar income from JPMorgan Chase undertakings	—	36

6. Profit on ordinary activities before taxation

The auditors' remuneration is £Nil for the current year. For 2018, the auditors' remuneration was £5,700 and it was met by another JPMorgan Chase undertaking and not recharged.

7. Directors' emoluments

	2019 (Unaudited)	2018
	£	£
Emoluments*	815	3,569
Total contributions to a defined contribution plan	67	241
Total value of long term incentive plans for all directors	—	181
Number of directors with shares received or receivable under LTIPs	1	2
Number of directors to whom defined contribution pension rights accrued	2	3

*The amounts shown above in respect of emoluments paid to directors exclude amounts paid or due to directors under long term incentive plans, the value of share options granted or exercised and benefits to which directors are entitled under any pension schemes.

In accordance with the Companies Act 2006, the directors' emoluments above represent the proportion paid or payable in respect of qualifying services only. Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

Highest paid director

The emoluments of the highest paid director is under £200,000 which is not required to be disclosed under the requirements of the Companies Act 2006.

The directors are employees of other companies in the Firm and all expenses, including remuneration, are paid by those companies and not recharged.

The Company had no employees during the year (2018: none).

8. Tax on profit on ordinary activities

	2019 (Unaudited)	2018
	£	£
(a) Analysis of tax charge for the year		
Current taxation		
UK Corporation tax on profit for the year	—	—
Total tax expense for the year	—	—

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED

Notes to the financial statements (continued)

8. Tax on profit on ordinary activities (continued)

(b) Factors affecting the current tax charge for the year

The tax charge for the year is the same as the standard rate of corporation tax in the UK 19% (2018: 19%). The differences are explained below:

	2019 (Unaudited) £	2018 £
Profit on ordinary activities before taxation	—	36
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in UK 19% (2018: 19%)	—	7
Effects of:		
Group relief/ other reliefs	—	(7)
Total tax expense for the year	—	—

9. Investments in JPMorgan Chase undertakings

	2019 (Unaudited) £	2018 £
At 1 January	250,002	250,002
Less: Impairment	—	—
At 31 December	250,002	250,002

The above investments are shown at cost less any provision for impairment.

In the opinion of the directors, the value of the Company's investment in subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

The investments represent ordinary share capital in the following entities.

Name	Registered Address	Principal activity	Holding	Shares held %
JP. Morgan Trustee Ltd.	25 Bank Street, Canary Wharf, London, E14 5JP, England and Wales	Trustee	Direct	100%
JP. Morgan Pension Trustees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England and Wales	Trustee	Direct	100%

All shares held in the above subsidiaries are ordinary shares. The subsidiaries were dormant in 2019 and 2018.

10. Debtors

	2019 (Unaudited) £	2018 £
Amounts owed by JPMorgan Chase undertakings	130,977	130,977

11. Creditors: amounts falling due within one year

	2019 (Unaudited) £	2018 £
Tax liability	508	508

MORGAN GUARANTY EXECUTOR AND TRUSTEE COMPANY LIMITED **Notes to the financial statements (continued)**

12. Creditors: amounts falling due after more than one year

	2019 (Unaudited)	2018
	£	£
Amounts owed to JPMorgan Chase undertakings	250,002	250,002

The amount of £250,002 (2018: £250,002) represents a payable due to the subsidiaries of the Company.

13. Called up share capital

	2019 (Unaudited)	2018
	£	£
5,000 (2018: 5,000) ordinary shares of £1 each (fully paid)	5,000	5,000
245,000 (2018: 245,000) ordinary shares of £1 each (partly paid)	95,958	95,958
	100,958	100,958