J.P. MORGAN METALS GROUP LIMITED
(Registered Number: 04324567)

Annual report for the year ended 31 December 2018

J.P. MORGAN METALS GROUP LIMITED
Annual report for the year ended 31 December 2018

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J.P. MORGAN METALS GROUP LIMITED
Strategic report

The directors present their strategic report of J.P. Morgan Metals Group Limited (the "Company") for the year ended 31 December 2018.

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 $18,776,000 in assets and $18,660,000 in total shareholders' equity as of 31 December 2018.

Principal activity

The principal activity of the Company continued to be that of a holding company.

Review of business

The directors were satisfied with the performance of the Company for the year.

Income Statement:

The results for the year are set out on page 7 and show the Company's profit for the financial year is $8,000 (2017: $38,000).

Balance sheet:

The balance sheet is set out on page 8. The Company has total assets and total liabilities of $18,776,000 (2017: $18,777,000) and $116,000 (2017: $125,000) respectively as at 31 December 2018.

The directors do not expect any change in the Company's activities in the coming year.

Future outlook

In 2016, the United Kingdom ("UK") voted to withdraw from the European Union ("EU"), and in March 2017, the UK invoked Article 50 of the Lisbon Treaty, which commenced withdrawal negotiations with the EU. As a result, and after two extensions of the negotiation timeline, the UK is currently scheduled to depart from the EU on 31st October, 2019. Negotiations regarding the terms of the UK's withdrawal continue between the UK and the EU, although the situation remains highly uncertain.

It remains highly uncertain how the expected departure of the UK from the EU, which is commonly referred to as "Brexit", will affect financial services firms such as JPMorgan Chase that conduct substantial operations in the EU from legal entities that are organised in or operating from the UK. It is also possible that any agreement reached between the UK and the EU may, depending on the final outcome of the ongoing negotiations and related legislative developments:

- impede the ability of UK - based financial services firms to conduct business in the EU
- fail to address significant unresolved issues relating to the cross-border conduct of financial services activities, or
- apply only temporarily.

A disorderly departure of the UK from the EU, or the unexpected consequences of any departure, could have significant and immediate destabilising effects on cross-border financial services activities, depending on circumstances that may exist following such a withdrawal.

The Firm has a long-standing presence in the UK, which currently serves as the regional headquarters of the Firm's operations in over 30 countries across Europe, the Middle East, and Africa ("EMEA"). The Firm established a Firmwide Brexit Implementation programme in 2017. The programme covers strategic implementation across all impacted businesses and functions. The programme's objective is to deliver the Firm's capabilities on "day one" of the UK's withdrawal across all impacted legal entities. The programme includes an ongoing assessment of implementation risks including political, legal and regulatory risks and plans for addressing and mitigating those risks. The Firm is also monitoring the expected macroeconomic developments associated with a no-deal scenario and has undertaken stress testing covering credit and market risk to assess potential impacts. Significant uncertainty remains around the UK's expected departure from the EU, including the possibility that the UK departs without any agreement being reached on how UK financial services firms will conduct business within the EU (i.e., "a no-deal scenario").

The impact of Brexit on the Company's business model and risks will continue to be assessed as part of the Firmwide strategy in considering a strategic post-Brexit legal entity structure.

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.

J.P. MORGAN METALS GROUP LIMITED
Strategic report (continued)

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 primary risk lies in the value of its investments in subsidiaries. An impairment assessment of the value of investments in subsidiaries is conducted annually.

On behalf of the Board

Director

Date: 14/08/19 MARK AMLIN

J.P. MORGAN METALS GROUP LIMITED
Directors' report

The directors present their report and the audited financial statements of J.P. Morgan Metals Group Limited (the "Company") for the year ended 31 December 2018. The Company is part of JPMorgan Chase & Co. (together with its subsidiaries, the "Firm" or "JPMorgan Chase"). The Company's registration number is 04324567.

Refer to the Strategic Report for future outlook.

Results and dividends

The results for the year are set out on page 7 and show the Company's profit for the financial year is $8,000 (2017: $38,000).

No dividend was paid or proposed during the year (2017: $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:

Mark Amlin	(Appointed on 14 December 2018)
Sidney Tipples	(Resigned on 14 December 2018)
Charles Cattle	(Appointed on 8 June 2018)

Directors' interest

None of the directors has any beneficial interest in the Company. The Company is a subsidiary of a body corporate 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 Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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 Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). 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 year.

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 101 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 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. They 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.

Disclosure of information to auditors

Each person who is a director of the Company at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 from the registered office address of the Company.

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

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP have expressed their willingness to continue in office.

On behalf of the Board

Director

Date: 14/08/19 MARK AMLIN

Independent Auditors' Report to the Members of J.P. Morgan Metals Group Limited

Report on the financial statements

Opinion

In our opinion, J.P. Morgan Metals Group Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report for the year ended 31 December 2018 (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent Auditors' Report to the Members of J.P. Morgan Metals Group Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andy Batty

Andrew Batty (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London 14 August 2019

J.P. MORGAN METALS GROUP LIMITED
Income statement

Year ended 31 December		2018	2017
	Notes	$'000	$'000
Other income	5	8	11
Operating Profit		**8**	**11**
Profit on ordinary activities before taxation	7	**8**	**11**
Tax (charge)/credit on profit on ordinary activities	8	—	27
Profit for the financial Year		**8**	**38**

Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above (2017: $nil). As a result, profit for the financial year represents total comprehensive income in both the current and prior financial year.

The notes on pages 10 - 17 form an integral part of these financial statements.

J.P. MORGAN METALS GROUP LIMITED
Balance Sheet

31 December	Notes	2018 $'000	2017 $'000
Non-current assets			
Investment in JPMorgan Chase undertaking	9	18,759	18,759
Current assets			
Cash and cash equivalents	10	17	18
Creditors: amounts falling due within one year	11	(116)	(125)
Net current liabilities		**(99)**	**(107)**
Net assets		**18,660**	**18,652**
Equity			
Called up share capital	12	—	—
Retained earnings		18,660	18,652
Total equity		**18,660**	**18,652**

The financial statements on pages 7 - 17 were approved by the Board of Directors on 14/08/2019 and signed on its behalf by:

Director

Date: 14/08/19

MARK AMLIN

The notes on pages 10 - 17 form an integral part of these financial statements.

J.P. MORGAN METALS GROUP LIMITED
Statement of changes in equity

	Called up share capital	Retained Earnings	Total Equity
	$'000	$'000	$'000
Balance as at 1 January 2017	**—**	**18,614**	**18,614**
Profit for the financial year	—	38	38
Balance as at 31 December 2017	**—**	**18,652**	**18,652**
Profit for the financial year	—	8	8
Balance as at 31 December 2018	**—**	**18,660**	**18,660**

The notes on pages 10 - 17 form an integral part of these financial statements.

J.P. MORGAN METALS GROUP LIMITED
Notes to the financial statements

1. General information

The Company is a private limited company incorporated and domiciled in England and Wales. The Company's immediate parent undertaking is J.P. Morgan Ventures Energy Corporation, incorporated in the state of Delaware in the United States of America. J.P. Morgan Ventures Energy Corporation ("JPMVEC") is also the parent undertaking of the smallest group in which the Company's results are consolidated. The Company's ultimate parent undertaking and controlling party is JPMorgan Chase & Co. (the "Firm" or " JPMorgan Chase"), which is incorporated in the state of Delaware in the United States of America. JPMorgan Chase & Co. is also the parent undertaking of the largest group in which the results of the Company are consolidated. The largest and smallest parent groups' consolidated financial statements can be obtained from the Company's registered office at 25 Bank Street, Canary Wharf, London, E14 5JP, England.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"). FRS 101 applies the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") with reduced disclosures.

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

The following exemptions from the requirements of IFRS as adopted by the EU have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Comparative information disclosures (paragraph 38 of IAS 1 'Presentation of financial statements' ("IAS 1")) for reconciliation of share capital (paragraph 79(a)(iv) of IAS 1);
- Statement of compliance with IFRS - paragraph 16, IAS 1;
- Cash flow statement and related notes, IAS 7 'Cash flow statements';
- Disclosures in relation to new or revised standards issued but not yet effective (paragraph 30 and 31, IAS 8 'Accounting policies, changes in accounting estimates and errors');
- Key management compensation disclosures (paragraph 17, IAS 24 'Related Party Disclosures'("IAS 24"));
- Related party transactions with wholly owned Firm undertakings (paragraph 18 and 19, IAS 24);

2.1 Accounting and reporting developments
Standards adopted during the year ended 31 December 2018

Adoption of IFRS 9

Effective 1 January 2018, the Company adopted IFRS 9 'Financial instruments', which superseded IAS 39 'Financial Instruments Recognition and Measurement'. The adoption of IFRS 9 impacts the classification and measurement of financial assets including the impairment of financial assets and the presentation of gains and losses related to certain financial liabilities designated at fair value through profit or loss. Refer to note 4 for more information about the changes to the Company's accounting policies.

The adoption of IFRS 9 has resulted in no material impact to the Company.

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 business undertaken by the Company, 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 JPMVEC, incorporated in the United States of America. Its ultimate parent is JPMorgan Chase & Co., 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. Significant accounting policies (continued)

4.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into United States ("U.S.") dollars 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.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into U.S. dollars at the exchange rate ruling at the date of the transaction.

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"). U.S. dollars is considered as the functional and presentation currency of the Company.

4.4 Financial instruments

Changes in accounting policies

On adoption of IFRS 9 on 1 January 2018, the Company replaced or substantially revised its accounting policies for classification and measurement of financial assets and financial liabilities, and impairment of financial assets. The comparative period notes disclosures repeat those disclosures made in the prior year.

These new or revised policies are set out in the following table along with the corresponding policy under IAS 39. Because the Company elected not to restate comparative periods on adoption of IFRS 9, the IAS 39 policies should be used to understand the differences in accounting policies with the comparative prior period information presented in these financial statements.

4.4.1 Financial assets and financial liabilities

IFRS 9	IAS 39
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 using trade-date accounting.	The Company recognises derivatives on its balance sheet when it becomes a party to the contractual provisions of the instruments. Loans and receivables and financial liabilities at amortised cost are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset.
ii. Classification and measurement of financial assets and financial liabilities	
On initial recognition, financial assets are classified as 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.	The Company classifies its financial assets and financial liabilities in the following categories on initial recognition: Financial assets and financial liabilities held for trading, financial assets and financial liabilities designated at fair value through profit or loss, and loans and receivables and financial liabilities held at amortised cost.

4. Significant accounting policies (continued)

4.4 Financial instruments (continued)

4.4.1 Financial assets and financial liabilities (continued)

<table>
<tr><th>IFRS 9</th><th>IAS 39</th></tr>
<tr><td colspan="2">Financial assets and financial liabilities</td></tr>
<tr><td>Financial assets and financial liabilities measured at amortised cost</td><td>Loans and receivables and financial liabilities at amortised cost</td></tr>
<tr><td>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 cash and cash equivalents.

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 includes certain other liabilities.

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 to 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.</td><td>Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market except those that are classified as held for trading or designated at fair value through profit or loss.

Loans and receivables are initially recognised at fair value including directly related incremental transaction costs. They are subsequently measured at amortised cost, including any provision for impairment losses. Interest is recognised in the income statement as 'interest and similar income' using the effective interest rate method.

Financial liabilities include tax accruals.

The effective interest method is used to calculate the amortised cost of a financial asset or financial liability (or a group of financial assets or financial liabilities). It is a method of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or, when appropriate, a shorter period 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, issue or disposal of a financial asset or financial liability.</td></tr>
</table>

4. Significant accounting policies (continued)

4.4 Financial instruments (continued)

4.4.2 Impairment of financials assets

IFRS 9	IAS 39
Impairment of financial assets	**Impairment of financial assets**
The Company recognises ECL for financial assets that are measured at amortised cost. Provisions for ECL are recognised on initial recognition of the financial instrument based on expectations of credit losses at that time. The credit loss allowance includes ECLs for financial instruments that may default in the next 12-month period for financial instruments that have not observed a significant increase in credit risk since initial recognition ("stage 1") or over a lifetime period for financial instruments that have observed a significant increase in credit risk since initial recognition ("stage 2"). The allowance also includes lifetime ECLs for financial instruments where there is objective evidence of credit-impairment at the reporting date ("stage 3"). In determining the appropriate stage for a financial instrument, the Company applies the definition of default consistent with the Basel definition of default to maintain uniformity of the definition across the Firm. The determination of the stage for credit losses under the ECL model is dependent on the measurement of a significant increase in credit risk ('SICR'). In determining SICR, the Company has conducted quantitative tests, which considers, but is not limited to, existing risk management indicators, credit rating changes and reasonable and supportable forward-looking information. Forward-looking information reflects a range of scenarios that incorporate macro-economic factors that are composed and monitored by the Firmwide specialised economic forecasting team. The key input components for the quantification of expected credit loss through the ECL model includes the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The Company seeks to efficiently and effectively leverage as much as possible existing regulatory and capital frameworks where overlap is present for IFRS 9. Differences observed between content in existing frameworks and requirements under IFRS 9 have been identified and are adjusted accordingly. The inputs to the ECL model capture historical datasets and a reasonable and supportable forecasting horizon to estimate expected credit losses.	The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or portfolio of financial assets is impaired. A financial asset or portfolio of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event (or events) has an adverse impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Impairment losses on loans and receivables are measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's effective interest rate. The loss is recognised in the income statement against the carrying amount of the impaired asset on the balance sheet. Interest continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Specific provisions are raised against loans and receivables when the Company considers that the credit worthiness of the borrower has deteriorated such that the recovery of the whole or part of an outstanding advance is in serious doubt. Impairment provisions are also raised to cover losses which, although not specifically identified, are known from experience to have occurred in the portfolio of loans and receivables at the balance sheet date. These provisions are adjusted on a monthly basis by an appropriate charge or reversal of the provision following an assessment of the loans and receivables portfolio. Impairment provisions are determined by modelling the current exposure, taking into account such factors as duration and probabilities of default. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed in the income statement. The amount of reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.

4.5 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.

4.6 Investments in JPMorgan Chase undertakings

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

4.7 Impairment of Investments 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.

4.8 Dividend recognition

Dividend income is recognised when the right to receive payment is established. Dividend distributions are recognised in the period in which they are declared and approved.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash and balances at banks and loans and advances to banks with maturities of three months or less.

5. Other income

	2018	2017
	$'000	$'000
Other Income *	—	22
Foreign exchange gain/(loss)	8	(11)
	8	11

* Balance represents write off of long outstanding payable in 2017.

J.P. MORGAN METALS GROUP LIMITED
Notes to the financial statements (continued)

6. Directors' emoluments

	2018	2017
	$'000	$'000
Emoluments*	36	41
Total value of LTIPS (including deferred cash) for all directors	5	2
Number of directors to whom defined contribution pension rights accrued	2	2
Number of directors with shares received or receivable under LTIPs	2	2

*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 (2017: none).

7. Profit on ordinary activities before taxation

The auditors' remuneration of $24,329 (2017: $25,033) is met by another JPMorgan Chase undertaking and not recharged.

8. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2018	2017
	$'000	$'000
Current taxation		
UK Corporation tax on profit for the year	—	(27)
Total tax expense/(credit) for the year	**—**	**(27)**

8. Tax on profit on ordinary activities (continued)

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

The tax charge for the year differs from the standard rate of corporation tax in the UK 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	$'000	$'000
Profit on ordinary activities before taxation	8	11
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in UK 19% (2017: 19.25%)	1	2
Adjustment in respect of prior years	—	(31)
Non-taxable income	—	—
Non deductible expenses	(1)	2
Losses claimed as group relief for nil consideration	—	—
Total tax expense/(credit) for the year	—	(27)

9. Investments in JPMorgan Chase undertakings

	Investment in JPMorgan Chase undertakings 2018	2017
	$'000	$'000
Cost		
At 1 January	18,759	18,759
Impairment of investments in JPMorgan Chase undertakings	—	—
At 31 December	**18,759**	**18,759**

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

In the opinion of the directors, the value of the Company's investment in a JPMorgan Chase undertaking 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	Address	Principal activity	Holding	Shares held %
J.P. Morgan Metals Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Investment holding Company	Direct	100%
J.P. Morgan Energy Trading Holdings Ltd	25 Bank Street, Canary Wharf, London, E14 5JP, England	The principal activity is management of cash.	Direct	100%

10. Cash and cash equivalents

All bank balances are held with other JPMorgan Chase undertakings.

11. Creditors: amounts falling due within one year

	2018	2017
	$'000	$'000
Corporation tax payable	116	125
	116	**125**

12. Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid:		
1 (2017:1) ordinary shares of £1 each	1	1

At historical rate of exchange

	2018	2017
	$	$
Allotted, called up and fully paid:		
1 (2017:1) ordinary shares of £1 each	1	1