

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

**Annual report for the year ended 31 December 2017**



**J.P. MORGAN METALS GROUP LIMITED**  
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<b>Contents</b>	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Income statement	6
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 13

# **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 2017.

### **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 \$18,777,000 in assets and \$18,652,000 in total shareholder's equity as of 31 December 2017.

### **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 6 and show the Company's profit for the financial year is \$38,000 (2016: \$102,000).

#### *Balance sheet:*

The balance sheet is set out on page 7. The Company has total assets and total liabilities of \$18,777,000 (2016: \$18,777,000) and \$125,000 (2016: \$163,000) respectively as at 31 December 2017.

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

### **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 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: CHARLES CATTLE

Date: 11/09/18

# **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 2017. 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 6 and show the Company's profit for the financial year is \$38,000 (2016: \$102,000).

No dividend was paid or proposed during the year (2016: \$nil).

### **Post balance sheet events**

The net assets of one of the company's subsidiaries fell by EUR 7 million between 31 December 2017 and 28 February 2018, following a reduction in the value of the subsidiary's investment in private equity shares, based on the Firm's valuation methodology.

This post year end reduction in net assets resulted in an impairment of the company's investment in its subsidiary of EUR 5.6 million in the quarter ended 31 March 2018.

### **Directors**

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

Simon Slavik-Smith	(Resigned on 23 October 2017)
Sidney Tipples	
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.

# **J.P. MORGAN METALS GROUP LIMITED**

## **Directors' report (continued)**

### **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 and Wales

### **Independent auditors**

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

On behalf of the Board



Director **CHARLES CATTLE**

Date: **11/09/18**

# **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 2017 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 (the "Annual Report"), which comprise: the Balance sheet; the Income statement; the Statement of comprehensive income; the Statement of changes in equity; 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**

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### **Reporting on other information**

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

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

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

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

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

## **Reporting on other information (continued)**

### *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 2017 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 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

### *Use of this report*

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

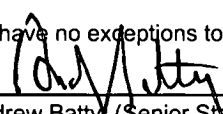
## **Other required reporting**

### **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.

  
Andrew Batty (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

*13 September 2018*

# J.P. MORGAN METALS GROUP LIMITED

## Income statement

Year ended 31 December		2017	2016
	Notes	\$'000	\$'000
Administrative expenses	5	—	30
Other income	6	11	35
<b>Operating Profit</b>		<b>11</b>	<b>65</b>
<b>Profit on ordinary activities before taxation</b>	8	<b>11</b>	<b>65</b>
Tax credit/(charge) on profit on ordinary activities	9	27	37
<b>Profit for the financial Year</b>		<b>38</b>	<b>102</b>

## Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above (2016: \$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 9 - 13 form an integral part of these financial statements.



# J.P. MORGAN METALS GROUP LIMITED

## Balance Sheet

31 December		2017	2016
	Notes	\$'000	\$'000
<b>Non-current assets</b>			
Investment in JPMorgan Chase undertaking	10	18,759	18,759
<b>Current assets</b>			
Cash at Bank and in hand	11	18	18
<b>Creditors: amounts falling due within one year</b>	12	(125)	(163)
<b>Net current liabilities</b>		(107)	(145)
<b>Net assets</b>		<b>18,652</b>	<b>18,614</b>
<b>Equity</b>			
Called-up share capital	13	—	—
Retained earnings		18,652	18,614
<b>Total equity</b>		<b>18,652</b>	<b>18,614</b>

The financial statements on pages 6 - 13 were approved by the Board of Directors on 11/9/18 and signed on its behalf by:



Director CHARLES CATTLE

Date: 11/09/18

The notes on pages 9 - 13 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
<b>Balance as at 1 January 2016</b>	—	18,512	18,512
Profit for the financial year	—	102	102
<b>Balance as at 31 December 2016</b>	—	18,614	18,614
Profit for the financial year	—	38	38
<b>Balance as at 31 December 2017</b>	—	18,652	18,652

The notes on pages 9 - 13 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 & Wales.

### **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);

### **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 principal accounting policies applied in the preparation of these financial statements. These policies have been applied consistently to all 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.

#### **4.2 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.

# J.P. MORGAN METALS GROUP LIMITED

## Notes to the financial statements (continued)

### 4. Significant accounting policies (continued)

#### 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"). Taking into account the cash flows and the financing structure, U.S. dollars is considered as the functional and presentation currency of the Company.

#### 4.4 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.

#### 4.5 Investments in JPMorgan Chase undertakings

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

#### 4.6 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.

#### 4.7 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.

#### 4.8 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. Administrative expenses

	2017	2016
	\$'000	\$'000
Audit fees (written off)/expenses*	—	(30)

\* Audit fees in relation to previous years has been reversed, since it is paid by other JPMorgan Chase undertaking and would not be recharged.

### 6. Other income

	2017	2016
	\$'000	\$'000
Other Income *	22	—
Foreign exchange (loss)/gain	(11)	35
	11	35

\* Balance represents write off of long outstanding payable.

# J.P. MORGAN METALS GROUP LIMITED

## Notes to the financial statements (continued)

### 7. Directors' emoluments

	2017	2016
	\$'000	\$'000
Directors' emoluments	17	21

The Company made total contribution of \$176 to a defined contribution plan for all its directors (2016: \$266).

No contributions were made to money purchase schemes on behalf of any of the directors during the year (2016: nil).

The Company had no employees during the year (2016: none).

The payments are made by another JPMorgan Chase undertaking and not recharged.

### 8. Profit on ordinary activities before taxation

The auditors' remuneration of \$25,033 (2016: \$26,200) is met by another JPMorgan Chase undertaking and not recharged.

### 9. Tax on profit on ordinary activities

#### (a) Analysis of tax charge for the year

	2017	2016
	\$'000	\$'000
<b>Current taxation</b>		
UK Corporation tax on profit for the year	(27)	(37)
<b>Total tax credit for the year</b>	<b>(27)</b>	<b>(37)</b>

#### (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 19.25% (2016: 20.00%). The differences are explained below:

	2017	2016
	\$'000	\$'000
Profit on ordinary activities before taxation	11	65
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in UK 19.25% (2016: 20.00%)	2	13
Adjustment in respect of prior years	(31)	(43)
Non-taxable income	—	—
Non deductible expenses	2	(7)
Losses claimed as group relief for nil consideration	—	—
<b>Total tax credit for the year</b>	<b>(27)</b>	<b>(37)</b>

# J.P. MORGAN METALS GROUP LIMITED

## Notes to the financial statements (continued)

### 10. Investments in JPMorgan Chase undertakings

	Investment in JPMorgan Chase undertakings	
	2017	2016
	\$'000	\$'000
<b>Cost</b>		
At 1 January	18,759	18,759
Impairment of investments in JPMorgan Chase undertakings	—	—
<b>At 31 December</b>	<b>18,759</b>	<b>18,759</b>

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 & Wales	Investment holding Company	Direct	100%
J.P. Morgan Energy Trading Holdings Ltd	25 Bank Street, Canary Wharf, London, E14 5JP, England & Wales	The principal activity is management of cash.	Direct	100%

### 11. Cash at bank and in hand

All bank balances are held with other JPMorgan Chase undertakings.

### 12. Creditors: amounts falling due within one year

	2017	2016
	\$'000	\$'000
Accruals	—	22
Corporation tax payable	125	141
	<b>125</b>	<b>163</b>