

Company Registration No. 05522498

**J.P. Morgan Metals & Concentrates Limited
(formerly RBS Sempra Metals &
Concentrates Limited)
Report and Financial Statements**

31 December 2009

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**J.P. Morgan Metals & Concentrates Limited (formerly RBS
Sempra Metals & Concentrates Limited)
Report and financial statements 2009**

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J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Directors' report

The directors present their report on the affairs of J P Morgan Metals & Concentrates Limited ('the company'), together with the financial statements and independent auditors' report, for the year ended 31 December 2009

This directors' report has been prepared in accordance with the provisions applicable to entities entitled to the small companies exemption

Principal activities

On 1 April 2008, Sempra Energy, (the company's former ultimate parent) entered into a joint venture partnership with The Royal Bank of Scotland plc (RBS), whereby RBS owns 51% of this joint venture with Sempra Energy owning the remaining 49%. The joint venture, called RBS Sempra Commodities LLP, absorbed the operations of the company and in April 2008 the company ceased trading

Outlook and future prospects

After the year end, the then ultimate holding company, The Royal Bank of Scotland Plc, announced its intention to dispose of its interest in the company to J P Morgan Ventures Energy Corporation. Completion occurred on 1 July 2010

Principal risks and uncertainties

The principal risks and uncertainties are addressed in note 10

Going concern

The Directors have announced their intention to liquidate the company in a professionally controlled manner. Accordingly, the financial statements have been prepared on a basis other than a going concern. The directors believe that no adjustments are currently required to the carrying value of the assets within the financial statements. The directors confirm that they will meet liabilities as they fall due. We draw your attention to Note 1 of the financial statements in this respect.

Business review

The company made a profit before tax of \$10,466 (2008 loss before tax of \$473,272). The company did not declare or pay dividends in the year (2008 \$nil)

The directors are satisfied with the results for the year

Directors

The directors who served during the year and up to the date of signing are shown below

P J Bacon
M X Parra

Appointment of new secretary

On 1 July 2010 Limor Nissan resigned as secretary and J P Morgan Secretaries (UK) Limited was appointed

**J.P. Morgan Metals & Concentrates Limited (formerly RBS
Sempra Metals & Concentrates Limited)**

Directors' report (continued)

Disclosure of Information to Auditors

Each of the persons who were directors of the company at the date when this report was approved confirms that

- as far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

By order of the Board,



M X Parra
Director

27 September 2010

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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 with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditors' report to the members of J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

We have audited the financial statements of JP Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited) ('the company') for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**Independent auditors' report to the members of
J.P. Morgan Metals & Concentrates Limited (formerly RBS
Sempra Metals & Concentrates Limited)**

Opinion on matters prescribed in the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Mark Rhys (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
29th September 2010

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

**Profit and loss account
Year ended 31 December 2009**

	Notes	2009 \$	2008 \$
Turnover	2	(2,336)	(468,934)
Administrative expenses		(2,499)	(11,322)
Operating loss	3	(4,835)	(480,256)
Interest receivable and similar income	5	50,969	89,784
Interest payable and similar charges	6	(35,667)	(82,800)
Profit/(loss) on ordinary activities before taxation		10,466	(473,272)
Tax (charge)/credit on ordinary activities	7	(2,930)	134,882
Profit/(loss) for the financial year	12	7,536	(338,390)

All activities relate to discontinued operations

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the results stated above, hence a statement of total recognised gains and losses is not presented

The company is no longer trading as a metals merchant, and the financial statements have been prepared on a basis other than that of a going concern and thus all transactions are derived from discontinuing operations

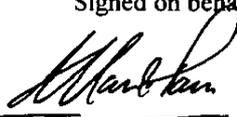
J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

**Balance sheet
31 December 2009**

	Notes	2009 \$	2008 \$
Current assets			
Debtors – amounts due within one year	8	3,687,830	3,668,110
		<u>3,687,830</u>	<u>3,668,110</u>
Creditors: amounts falling due within one year	9	(2,125,498)	(2,113,314)
		<u>(2,125,498)</u>	<u>(2,113,314)</u>
Net current assets		<u>1,562,332</u>	<u>1,554,796</u>
Capital and reserves			
Called up share capital	11	2	2
Capital contribution	12	3,000,000	3,000,000
Profit and loss account	12	(1,437,670)	(1,445,206)
		<u>(1,437,670)</u>	<u>(1,445,206)</u>
Total shareholders' funds	12	<u>1,562,332</u>	<u>1,554,796</u>

The financial statements of J P Morgan Metals & Concentrates Limited (Formerly RBS Sempra Metals & Concentrates Limited) registered number 05522498 were approved by the Board of Directors on 27 September 2010

Signed on behalf of the Board of Directors



M X Parra

Director

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Notes to the accounts Year ended 31 December 2009

1. Statement of accounting policies

Basis of accounting

The financial statements are prepared in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") The principal accounting policies which have been consistently adopted in the presentation of the accounts are set out below

Under Financial Reporting Standard ("FRS") 1 (revised 1996) the company is exempt from the requirement to prepare a cashflow statement on the grounds that more than 90% of the voting rights are controlled by a group company which includes the company in its own published consolidated financial statements

Going concern

As required by FRS 18 Accounting Policies, given that the company is no longer trading as a metals merchant, the directors have prepared the financial statements on a basis other than going concern No material adjustments arose as a result of ceasing to apply the going concern basis

Functional currency

It is considered that a fairer reflection of the company's activities is given by presenting the accounts in US Dollars, since the US Dollar is the main currency of the company's primary economic environment

Turnover

Turnover represents gross trading profit or loss on merchandising of metals, net of applicable costs which include bad and doubtful debts written off or provided against during the year

Financial instruments

The company classifies its financial instruments as 'trade debtors and creditors at fair value' and 'other debtors and creditors at amortised cost' The classification depends on the purpose for which the financial instruments were acquired or assumed Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at every reporting date

As of 31 December 2009, the company has no recognisable financial instruments at fair value through profit and loss

1 Other debtors and creditors at amortised cost

Other debtors and creditors include sundry prepayments, accruals receivable and payable with both third parties and related parties They are non-derivative financial assets or liabilities with fixed or determinable payments that are not quoted in an active market They are measured at amortised cost using the effective interest method less any impairment ,

Interest income and expense

Interest income and expense arise from cash and cash equivalents and intercompany balances Interest income and expense are recognised in the profit and loss account using the effective interest method

Taxation

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Notes to the accounts

Year ended 31 December 2009

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Foreign currencies

Transactions in foreign currencies are recorded at the rates prevailing at the date of the transaction. Forward foreign exchange contracts are valued at current market price. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. All differences are taken to the profit and loss account

2. Turnover

The company's income was derived from the sale and purchase of copper cathode within Europe, which for the purpose of segmental analysis is considered to be one market

3. Operating loss

	2009	2008
	\$	\$
Loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit fees	2,499	10,027

4. Employee costs for year (including directors)

The directors did not receive emoluments in respect of their services to the company in the current or prior year. The company had no employees during the year or the prior year

5. Interest receivable and similar income

	2009	2008
	\$	\$
Due from banks	-	29,166
Interest due from other group undertakings	50,969	60,618

6. Interest payable and similar charges

	2009	2008
	\$	\$
Interest due to other group undertakings	35,667	82,800

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

**Notes to the accounts
Year ended 31 December 2009**

7. Taxation

	2009 \$	2008 \$
UK corporation tax (charge)/credit for the year	(2,930)	134,882
Reconciliation of current tax (charge)/credit		
Profit/(loss) on ordinary activities before tax	10,466	(473,272)
Tax (charge)/credit on gain on ordinary activities at standard rate 28% (2008 28.5%)	(2,930)	134,882
Current tax (charge)/credit for the year	(2,930)	134,882

8. Debtors

	2009 \$	2008 \$
Amounts falling due within one year		
Amounts owed by group undertakings	3,687,830	2,937,979
Other debtors including taxation and social security	-	730,131
	<u>3,687,830</u>	<u>3,668,110</u>

9. Creditors: amounts falling due within one year

	2009 \$	2008 \$
Amounts owed to group undertakings	2,120,432	2,098,784
Accruals and deferred income including taxation	5,066	14,530
	<u>2,125,498</u>	<u>2,113,314</u>

10. Financial instruments

The use of financial instruments is governed by the policies of other RBS Sempra companies, which provide written principles on the use of financial derivatives consistent with the company's risk management policy. Instruments are entered into for hedging purposes, although the company does not apply hedge accounting to any of its derivatives. It reports results on a monthly basis.

The company does not take proprietary positions in commodities and it attempts to ensure that all sales and purchase contracts are back to back. Where this is not possible, it may be exposed to a degree of market risk. It is also exposed to credit risk, liquidity risk and operational risk.

The carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair value, which is calculated using market prices prevailing at the balance sheet date. Where such prices are

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Notes to the accounts Year ended 31 December 2009

10. Financial instruments (continued)

not available fair values are derived using internally developed valuation methodologies based on available market information

The company had no third party trade receivables or payables balances at 31 December 2008 or 31 December 2009

Financial Risk Management Objectives and Policies

Market risk is the risk of adverse change in net assets or income arising from movements in commodity prices and foreign exchange rates

The company hedges its foreign currency trading positions but does not engage in speculative foreign exchange trading

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted policies governing the management of credit risk. The creditworthiness of each counterparty is assessed prior to entering into business, with guarantees and collateral obtained where appropriate, as a means of mitigating the risk of financial loss from defaults. The company's exposure and the credit standing of its counterparties are continuously monitored.

The maximum exposure to credit risk at 31 December 2009 is \$3,687,830 (2008 \$2,937,979) which represents amounts owed by group undertakings.

Liquidity risk refers to the risk that the company is unable to meet its obligations as they fall due owing to insufficient financial resources. The company manages liquidity risk by drawing on the facilities of other group companies.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every business operation and covers a wide spectrum of potential issues. The company manages this risk by operating a controls-based environment in which processes are documented, authorisation is independent and transactions are reconciled and monitored.

Interest rate risk represents the sensitivity of the company to changes in interest rates. The company does not have long term borrowings and therefore is not overly exposed to interest rate risk.

There are no terms or circumstances which may individually significantly affect the amount, timing and certainty of future cashflows for the company.

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

**Notes to the accounts
Year ended 31 December 2009**

11. Share capital

	2009 £	2008 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called-up and fully paid		
1 Ordinary share of £1	1	1
	2009 \$	2008 \$
At historical rate of exchange	2	2

12. Reconciliation of movement in shareholders' funds

	Share capital \$	Capital contribution \$	Profit and loss account \$	Total \$
Opening shareholders' funds	2	3,000,000	(1,445,206)	1,554,796
Gain for the year	-	-	7,536	7,536
Closing shareholders' funds	2	3,00,000	(1,437,670)	1,562,332

13. Commitments and contingent liabilities

There were no commitments at the balance sheet date in respect of forward commodity contracts entered into in the normal course of business and held at market value

14. Related party transactions

Advantage has been taken of the exemption under Financial Reporting Standard No 8 not to disclose transactions between entities where 100% of voting rights are controlled within the Group
There were no other related party transactions or balances requiring disclosure

J.P. Morgan Metals & Concentrates Limited (formerly RBS Sempra Metals & Concentrates Limited)

Notes to the accounts

Year ended 31 December 2009

15. Ultimate parent company and controlling party

The Royal Bank of Scotland Group plc, a company incorporated in Great Britain and registered in Scotland and listed on the London Stock Exchange, was the company's ultimate parent company during the period and also the parent of the largest group for which group accounts were prepared. The intermediate holding company, and the parent of the smallest group for which group accounts were prepared during the period was RBS Sempra Commodities Limited Liability Partnership. Copies of all group financial statements are available from the company Secretary at 24/25 St Andrew Square, Edinburgh, Midlothian, EH2 1AF.

On 1 December 2008, the UK Government through HM Treasury, became the ultimate controlling party of The Royal Bank of Scotland Group plc. The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly owned by the UK Government.

16. Events after balance sheet date

On 17 February 2010 both the Royal Bank of Scotland Group plc and Sempra Energy agreed to sell their shares in the company, and some other related companies within the RBS Sempra Commodities LLP, to J P Morgan Ventures Energy Corporation. The operations sold comprised the global oil, global metals, and European power and gas assets. Completion occurred on 1 July 2010. Since 1 July 2010 the ultimate parent company has been JP Morgan Chase & Co.