

J.P. Morgan G1 (GP Scots) Limited

Registered number: SC371111

Annual report for the year ended 31 December 2020



J.P. Morgan G1 (GP Scots) Limited

Contents

Company information	1
Directors' report	2 to 5
Independent auditors' report	6 to 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 to 15

J.P. Morgan G1 (GP Scots) Limited

Company information

Directors

R A Crombie

J R Ehlinger

C J Whittington

Company Secretary

J.P. Morgan Secretaries (UK) Limited

Registered office

50 Lothian Road

Festival Square

Edinburgh

Scotland

EH3 9WJ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside

London

SE1 2RT

J.P. Morgan G1 (GP Scots) Limited

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements of J.P. Morgan G1 (GP Scots) Limited for the year ended 31 December 2020.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a strategic report on the basis that the Company is small.

Principal activities

The principal activity of J.P. Morgan G1 (GP Scots) Limited ("the Company") is to act as general partner to feeder limited partnerships. The feeder limited partners invest in a limited partnership which, in turn, invests in maritime and maritime related investments.

Review of business

The directors consider that the profit for the financial year and the financial position at the end of the year were satisfactory.

The directors of the Company do not anticipate changes in the activities of the Company for the foreseeable future.

Results and dividends

The profit before taxation for the financial year was \$200 (2019: \$200) and after taxation was \$200 (2019: \$200). This profit after taxation has been transferred to reserves.

The directors do not recommend the payment of a dividend (2019: nil).

Directors

The names of the directors who were in office during the year and up to the date of signing the financial statements are listed on page 1.

J.P. Morgan G1 (GP Scots) Limited

Directors' report for the year ended 31 December 2020

Principal risks and uncertainties

Whilst management of the Company's risks and uncertainties is integrated with that of JPMorgan Chase & Co. (the "Firm") and its associated subsidiaries (collectively, the "Group") of which the Company is part, the Company also manages its risks at a legal entity level.

The principal risks and uncertainties relating to the Group as a whole are discussed within the Group's annual report (which does not form part of this report). Those relating specifically to the Company itself are discussed in the Financial risk management section of this report.

Financial risk management

Risk management is an inherent part of the business activities of the Group of which the Company is a part. The Company has adopted the same risk management policies and procedures as the Group as a whole. The Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Board of Directors.

The Company's operations expose it to a variety of financial risks, the most significant of which are credit risk and operational risk.

An overview of the key aspects of risk management and the use of financial instruments is provided below. A more detailed description of the policies and processes adopted by all Group companies may be found within the JPMorgan Chase & Co. annual report.

Credit risk

The Company complies with Group policies which require monthly monitoring and reporting of exposures to all financial institutions. These exposures are subject to a Group concentration limit and are reviewed annually by the relevant risk committees.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Group and the Company maintain a system of comprehensive policies and a control framework designed to provide a well-controlled operational environment and to monitor and record any control failures.

The Firm is monitoring the COVID-19 pandemic closely, based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. The Firm has organised a central team to continue to consider what steps should be taken around the globe to protect our employees, prepare our businesses, and serve our clients and the communities where we live and work. In addition, teams across functions, businesses and regions continue to meet regularly to understand the global situation and to ensure any emerging developments relating to the well-being of our employees or the resiliency of our businesses are addressed quickly. Our business remains operational and senior leaders across the firm continue to monitor operational metrics.

The Company continues to apply the aforementioned Group policies and procedures. The Company has not experienced a significant impact on its financial performance, or capital or liquidity positions during the year as a result of COVID-19.

J.P. Morgan G1 (GP Scots) Limited

Directors' report for the year ended 31 December 2020

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 also 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Liability insurance for directors

As permitted by Section 233 of the Companies Act 2006, the directors of the Company are covered for insurance purposes by the Group's insurance maintained at a consolidated level.

Third party indemnities

A qualifying 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 these financial statements and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office of the Company.

J.P. Morgan G1 (GP Scots) Limited

Directors' report for the year ended 31 December 2020

Independent Auditors

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

Approved by the board on 5th August, 2021 and signed on its behalf by:



Richard Crombie
Director

Report on the audit of the financial statements

Opinion

In our opinion, J.P. Morgan G1 (GP Scots) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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, which comprise: the Balance sheet as at 31 December 2020; the Statement of comprehensive income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

J.P. Morgan G1 (GP Scots) Limited

Independent auditors' report to the members of J.P. Morgan G1 (GP Scots) Limited

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 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 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

J.P. Morgan G1 (GP Scots) Limited

Independent auditors' report to the members of J.P. Morgan G1 (GP Scots) Limited

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Challenging judgements made by management in their accounting estimates, in particular in relation to recoverability of debtors; and,
- Identifying and testing journal entries meeting certain risk-based criteria, including unusual or unexpected account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 August 2021

J.P. Morgan G1 (GP Scots) Limited

Independent Auditor's Report to the members of J.P. Morgan G1 (GP Scots) Limited

Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Turnover	2	200	200
Operating profit		200	200
Profit before taxation		200	200
Tax on profit	4	-	-
Profit for the financial year and total comprehensive income for the year		200	200

All amounts relate to continuing operations.

J.P. Morgan G1 (GP Scots) Limited
Balance sheet as at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Debtors	7	2,960	2,760
Creditors: amounts falling due within one year	8	(1,005)	(1,005)
Net assets		<u>1,955</u>	<u>1,755</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		<u>1,855</u>	<u>1,655</u>
Total shareholders' funds		<u>1,955</u>	<u>1,755</u>

The financial statements on pages 9 to 15 were approved by the board of directors on 5th August 2021 and signed on its behalf by:



Richard Crombie
Director

Company registered number: SC371111

The notes on pages 12 to 15 form an integral part of these financial statements.

J.P. Morgan G1 (GP Scots) Limited**Statement of changes in equity for the year ended 31 December 2020**

	Called up share capital	Profit and loss account	Total shareholders' funds
	\$	\$	\$
At 1 January 2019	100	1,455	1,555
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2019	100	1,655	1,755
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2020	100	1,855	1,955

The following describes the nature and purpose of each reserve within equity:

- Called up share capital - nominal value of share capital subscribed for.
- Profit and loss account - all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

J.P. Morgan G1 (GP Scots) Limited

Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies

The Company is a private company limited by shares and is incorporated and domiciled in Scotland, United Kingdom. The address of its registered office is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

Basis of preparation

The financial statements have been prepared in accordance with The Companies Act 2006 on a going concern basis and in accordance with UK Financial Reporting Standard 100 "Application of Financial Reporting Requirements" and Financial Reporting Standard 101 "Reduced Disclosure Framework".

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a going concern basis, using the historical cost convention, and in accordance with the Companies Act 2006.

Disclosure exemptions adopted:

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by UK endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by JPMorgan Chase & Co.

The financial statements of JPMorgan Chase & Co. can be obtained as described in note 10.

J.P. Morgan G1 (GP Scots) Limited

Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies (continued)

Income and expenditure

Income and expenditure are recognised on an accruals basis. Income is made up solely of profit share from the Limited Partnership.

Accounting and reporting developments

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the Company's financial statements.

Judgements and key areas of estimation uncertainty

Due to the nature of business undertaken by the Company, no significant accounting estimates or judgements were required in preparation of these financial statements.

Functional and presentational currency

Items included in the financial statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollar, which is the Company's functional and presentation currency and the currency in which the majority of the Company's revenue streams, assets, liabilities and funding is denominated.

Financial instruments

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired. Realised and recognised gains or losses arising from changes in fair value are included in the profit and loss account of the period in which they arise.

Impairment of financial assets

The Company's approach to measuring expected credit losses ("ECLs") depends on the type of instrument.

Other financial instruments

The Company has determined that ECLs on other financial instruments are immaterial due to: the existence of credit risk mitigants such as the credit quality (e.g. investment-grade); and/or the short-term nature of the instrument. Similarly the Company has determined that these other financial instruments are without SICR due to the credit quality and/or the short-term nature of the instrument.

For inter-company loans and receivables, the Company evaluates the counterparty based on the tenor of the loan/receivable, and any collateral received. The Company has not experienced any losses on inter-company loans and receivables.

The Company continues to monitor its financial instruments to ensure the described framework is appropriate and its exposure to credit risk and ECLs on these instruments are adequately reflected in the allowance for credit losses.

2 Turnover

Turnover comprises a profit share (General Partner's Share) receivable from Global Maritime Investor Fund Feeder LP and Global Maritime Investor Fund Intermediate LP. The Company has only one class of business and operates mainly in the United Kingdom.

J.P. Morgan G1 (GP Scots) Limited

Notes to the financial statements for the year ended 31 December 2020

3 Administrative expenses

Auditors' remuneration was \$11,193 (2019: \$10,326), wholly for audit services. All expenses, including audit remuneration costs have been borne by Group undertakings.

4 Tax on profit

	2020	2019
	\$	\$
Current tax:	-	-
Current tax on profits for the year	-	-
Total current tax	-	-

Factors affecting tax charge for year

The tax charge for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19.00% (2019: 19.00%). The differences are explained below:

	2020	2019
	\$	\$
Profit before taxation	200	200
Tax on profit before tax at standard UK rate of 19.00% (2019: 19.00%)	38	38
Effects of:		
Effects of group relief/other reliefs	(38)	(38)
Total tax charge	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted. Substantive enactment occurred on 24th May 2021, therefore its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be nil.

5 Employee information

The Company had no employees during the year (2019: nil).

6 Directors' emoluments

The directors did not receive any remuneration from the Company (2019: nil). The remuneration of directors is paid by a fellow subsidiary, which makes no recharge to the Company. The directors hold directorships for a number of fellow subsidiaries, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries.

J.P. Morgan G1 (GP Scots) Limited

Notes to the financial statements for the year ended 31 December 2020

7 Debtors

	2020	2019
	\$	\$
Amounts owed by Group undertakings	<u>2,960</u>	<u>2,760</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due within one year

	2020	2019
	\$	\$
Amounts owed to Group undertakings	<u>1,005</u>	<u>1,005</u>

Amounts owed to Group undertakings are unsecured and repayable on demand.

Called up share capital

	2020	2019
	\$	\$
Authorised, allotted and fully paid		
100 (2019: 100) ordinary shares of \$1 each	<u>100</u>	<u>100</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

10 Ultimate parent undertaking

The immediate parent undertaking and controlling party is JPMorgan Asset Management Holdings (Luxembourg) S.a.r.l.

The parent company of the largest and smallest group for which consolidated financial statements are prepared, and whom the directors regard as the ultimate holding company, is JPMorgan Chase & Co. which is incorporated in the United States of America.

The consolidated financial statements of JPMorgan Chase & Co. are available to the public and may be obtained from the Company's registered office at:

The Company Secretary
25 Bank Street
Canary Wharf
London
E14 5JP