

# J.P. Morgan Trustee & Administration Services Limited

Registered number: 01823867

Annual report for the year ended 31 December 2019



## **J.P. Morgan Trustee & Administration Services Limited**

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**J.P. Morgan Trustee & Administration Services Limited**  
**Company information**

**Directors**

N J C Bloxham

A M Lewis

N Martin (appointed 5 August 2019)

**Company Secretary**

J.P. Morgan Secretaries (UK) Limited

**Registered office**

25 Bank Street  
Canary Wharf  
London  
E14 5JP

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

# **J.P. Morgan Trustee & Administration Services Limited**

## **Strategic report for the year ended 31 December 2019**

### **Principal activities**

J.P. Morgan Trustee & Administration Services Limited (the "Company") acts as an ISA and general investment account manager.

During the year, the Company sold the majority of its direct customer accounts held in open-ended funds and investment trusts to third party providers. A small residual amount of clients remain under the Company's management.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

### **Review of business and key performance indicators (KPIs)**

The financial report of the Company remains satisfactory.

The directors monitor the financial performance and financial position of the Company which remains satisfactory, in the opinion of the board:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	2,252	1,506
Total shareholder's funds at year end	7,092	11,982
Assets under management	1,986	959,499

### **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.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Strategic report for the year ended 31 December 2019**

#### **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 risks.

The Company exercises oversight through the Board of Directors (the "Board"). The Board delegates responsibility for the general conduct and day-to-day management of the Company's business to the CEO, with power for the CEO to sub-delegate to appropriate senior managers. The CEO has established a number of operating and risk committees to provide an appropriate forum for the discussion and consideration of relevant matters, and to make recommendations and otherwise assist him and his delegates in the discharge of his overall management responsibilities. Matters are escalated from the committees to the Board in order to allow the directors to oversee and review the conduct of the business. The CEO also reports to the Board on any matter considered appropriate or significant to the Company.

The Board also delegates the oversight of certain items to three board committees: the JPMorgan Asset Management International Limited ("JPMAMIL") Remuneration Committee, the JPMAMIL Audit, Risk and Compliance Committee and the JPMAMIL Investment Oversight Committee. Both board committees are comprised of independent non-executive directors from within the Asset Management EMEA group. Following each quarterly meeting, the Board receive tailored reports from each board committee on any matters considered appropriate or significant to the Company.

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 Group 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 operational 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.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Strategic report for the year ended 31 December 2019**

#### **Interest rate risk**

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises from investments in cash holdings.

#### **Section 172(1) Companies Act 2006 Statement**

This section is the section 172(1) statement required under section 414CZA(1) of the Companies Act 2006. The financial services regulatory requirements and expectations to which the Company is subject provide a framework for the Company to demonstrate how the board makes decisions for the long term success of the Company and its stakeholders, including having regard to how the board makes sure the Company complies with the requirements of section 172 of the Companies Act 2006. The structure and content of the information provided to the board has been enhanced so as to better reflect the impact of any deliberations or decision on the factors set out in section 172(1) of the Companies Act 2006.

This statement also contains the disclosures on employee engagement and business relationships required by Schedule 7.11(1)(b) and Schedule 7.11B(1) (respectively) of the Companies (Miscellaneous Reporting) Regulations 2018.

The Company's Board of Directors is accountable for overall oversight of the Company. The Board of Directors has responsibility for maintaining the safety and soundness of the Company, and for ensuring that the Company is acting within the strategy, values, standards and controls of the wider JPMorgan Chase & Co. group of companies (the "Firm" or the "Group").

Certain of the factors to which the directors must have regard under section 172(1) of the Companies Act 2006 are dealt with by policies, procedures and practices set by the Firm on a firmwide basis; these policies, procedures and practices apply to the Company and the board.

The Company (or, as applicable, the Firm) makes certain disclosures that include information about its governance that has a direct or indirect impact on the board of the Company's decision-making processes and how they apply the factors set out in section 172(1) of the Companies Act 2006. A list of those disclosures is at the end of this statement.

In addition, the Company is required to comply with provisions relating to its governance that do not require public disclosures to be made, including:

- EBA/ESMA Joint Guidelines on Management Body Suitability (the "Suitability Guidelines")
- EBA Guidelines on Internal Governance (the "Internal Governance Guidelines")
- The Senior Managers and Certification Regime under the Financial Services and Markets Act 2000, which has applied since 9 December 2019 (the "SMCR")
- The principles set out in the FCA Handbook (the "FCA Principles")

#### *Strategy, Risk and Sustainability*

The directors are expected to act with honesty, integrity and independence of mind in assessing and challenging senior management, and to commit enough time to the role in order to perform these duties effectively, as required by the Suitability Guidelines.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Strategic report for the year ended 31 December 2019**

The Company has a Matters Reserved for the Board which requires that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management. This includes requirements that the Board will approve and oversee the Company's strategic objectives, risk strategy and internal governance, including the segregation of duties in the organisation and the prevention of conflicts of interest.

Risk is an inherent part of the Firm's business activities. The Firm's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interest of its clients, customers and investors and protects the safety and soundness of the Firm. Firmwide Risk Management is overseen and managed on an enterprise-wide basis. The Firm believes that effective risk management requires:

- Acceptance of responsibility, including escalation of risk issues, by all individuals within the Firm;
- Ownership of risk assessment, data and management within each line of business ("LOB") and corporate functions; and
- Firmwide structures for risk governance.

The Firm follows a disciplined and balanced compensation framework with strong internal governance and independent Board oversight, with delegation to a local remuneration committee.

A regional governance structure has been established to allow the Board to delegate certain matters, not included in the Matters Reserved for the Board, to a governance framework. The Board monitors and periodically assesses the effectiveness of this governance framework and takes appropriate steps to address any deficiencies. The Board may also delegate levels of authority to senior management, and has responsibility for providing effective oversight of these individuals.

The Board delegates certain matters to a number of key regional committees, including for regional risk control and oversight. The EMEA governance framework connects legal entity, line of business and global governance structures. In addition, the Board is supported by the JPMorgan Asset Management International Limited ("JPMAMIL") Remuneration Committee, the JPMAMIL Audit, Risk and Compliance Committee and the JPMAMIL Investment Oversight Committee. Each board committee is comprised of independent non-executive directors from within the Board of Directors of the Asset Management EMEA group Legal Entities..

The Firm has established a Corporate Governance Policy – Firmwide that sets out the expectations that the Firm has of the directors of the material entities within the Group; this policy applies to the Company. Its provisions cover, among other things, board meeting attendance and board composition. The policy seeks to establish an internal governance framework, as set out in the Internal Governance Guidelines.

#### *Engagement with regulators*

The Company's board and senior leaders maintain an open relationship with regulators and from time to time, may be required to attend meetings with the regulators responsible for the Company. These meetings may take the form of ongoing supervision of the firm or ad hoc, thematic requests for information in relation to an industry issue or area of regulatory focus. The Company is committed to being transparent and responsive to the regulators in its interactions, and the Company maintains an open dialogue and ensures that complete, accurate, and timely information is provided. Interaction helps the Company learn first-hand from regulators about matters of importance to them and their expectations of the Company. It also gives the Company's board and management a forum for keeping our regulators well-informed about the Company's performance and business practices, as well as ensuring that anything relating to the Company of which the regulator would reasonably expect to be aware is disclosed timely.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Strategic report for the year ended 31 December 2019**

#### *Engagement with customers and suppliers*

The Company is committed to always deal fairly, ethically and in good faith with its customers, suppliers, competitors, business partners, regulators and employees. Discrimination, harassment or inappropriate or abusive conduct by or against its stakeholders is not tolerated. In addition to compliance with applicable laws and regulations, the Company expects all its employees to hold themselves to the highest standards of ethical conduct and has put in place comprehensive policies and procedures to monitor culture and conduct within the organisation. Trust is essential to the organisation's business success and particular focus has been put on being a reliable steward of customers and suppliers' information, whether that information relates to financial, personal or business matters.

The Company works to achieve a competitive advantage through superior products and services, never through unethical or illegal business practices. The organisation prohibits taking unfair advantage of any of its stakeholders through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or any other unfair dealings or practices. In addition, the Company has fiduciary obligations to its clients to act in their best interest and avoids or otherwise addresses through controls, disclosures or other appropriate steps, any actual or potential conflicts of interest. Accountability, transparency and integrity are the cornerstones of doing good business, which includes simplifying disclosures, products and operations, and effectively managing environmental, social and governance matters. This preserves the organisation's reputation for integrity. In line with UK legal requirements, the Company discloses its payment practices information on a semi-annual basis.

The Firm's Business Principles set out the Firm's focus on the customer:

- Exceed expectations by listening to customers and anticipating their needs, making it easy for them to do business with us
- Earn trust by always focusing on customers' best interests; high-quality customers will grow along with the Company
- Give customers a good, fair deal – offer high-quality, competitively priced products and services
- Consider the full range of products and services that will fit customer needs, cross selling when appropriate
- Never allow short-term profit considerations to get in the way of doing what's right for the customer
- Use our own products – when it comes to understanding the customer, nothing beats being a customer

#### *Environmental, Social and Governance matters*

The Firm engages with numerous non-governmental organisations on a diverse range of issues that are important to communities and consumers about the Firm's business. The Firm also engages with organisations on environmental and social issues and provides philanthropic support to a broad range of non-profit organisations that work on issues that are important to the Firm. Management shares insights and feedback from these relationships and engagements with the JPMC board, providing the board with valuable insights to the issues that matter to the Firm's various stakeholders. This helps the Firm understand how the Firm's products and services can better serve its stakeholders and the communities in which it operates.

The Firm is committed to being transparent about how we do business and reporting on its efforts. One way the Firm does this is by publishing an annual ESG Report, which provides information on how the Firm is addressing Environmental, Social and Governance matters that it and its stakeholders view as among the most important to the Firm's business.

Engagement and transparency with the Firm's stakeholders help the Firm gain useful feedback and help us improve our governance processes.



## **J.P. Morgan Trustee & Administration Services Limited**

### **Strategic report for the year ended 31 December 2019**

The board will continue to review and challenge how the Company can improve engagement with its employees and stakeholders and further enhance its decision-making processes in line with section 172(1) of the Companies Act 2006 throughout 2020 and beyond.

For further information on the corporate governance related disclosures made by the Company, please see:

- JPMorgan Chase & Co. Business Principles:  
<https://www.jpmorganchase.com/corporate/About-JPMC/ab-business-principles.htm>
- JPMorgan Chase & Co. Annual Meeting of Shareholders Proxy Statement:  
<https://www.jpmorganchase.com/corporate/investor-relations/document/proxy-statement2019.pdf>
- Capital Requirements Directive IV (2013/36/EU) governance disclosures:  
<https://www.jpmorgan.com/jmpdf/1320747737676.pdf> ("CRD IV Disclosures")
- Gender Diversity on EMEA Boards:  
<https://www.jpmorgan.com/global/emea/crd4>
- Environmental Social and Governance Report:  
<https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/jpmc-cr-esg-report-2018.pdf><sup>1</sup>
- Corporate Responsibility Report:  
<https://reports.jpmorganchase.com/corporate-responsibility/2018/cr-2018-home.htm><sup>2</sup>
- Transparency Statement under s.54 of the Modern Slavery Act 2015:<sup>3</sup>

#### **Employee involvement**

The Company has no employees.

Approved by the Board on 23 April 2020 and signed on its behalf by:



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N J C Bloxham  
Director  
23 April 2020

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<sup>1</sup> This links to the 2018 edition of the report. The 2019 report is expected to be published in May 2020.

<sup>2</sup> This links to the 2018 edition of the report. The 2019 report is expected to be published in May 2020.

<sup>3</sup> This links to the Transparency Statement for 2018. The 2019 Transparency Statement is expected to be published in June 2020.

**J.P. Morgan Trustee & Administration Services Limited**  
**Strategic report for the year ended 31 December 2019**

## **J.P. Morgan Trustee & Administration Services Limited**

### **Directors' report for the year ended 31 December 2019**

The directors present their report and the audited financial statements of J.P.Morgan Trustee & Administration Services Limited for the year ended 31 December 2019.

#### **Results and dividends**

The profit before taxation for the financial year was £2,252,000 (2018: £1,506,000) and the profit for the financial year £2,110,000 (2018: £1,220,000).

An interim ordinary dividend of £7,000,000 was paid during the year (2018: £nil). The directors do not recommend a final dividend for the year (2018: £nil).

#### **Future developments**

Following the sale of the majority of its direct customer accounts held in open-ended funds and investment trusts to third party providers, the Company continues to explore the optimum service model for remaining clients.

#### **COVID-19**

The Firm is monitoring Coronavirus Disease 2019 ("COVID-19"), 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. For more detail on Firmwide measures refer to operational risk on page 3. The Company was not aware of any material adverse effects on the financial statements as a result of COVID-19, refer to post balance sheet event note 13 (page 23).

#### **Directors of the Company**

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.

#### **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 prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 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;
- state whether applicable UK Accounting Standards, including 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,

## **J.P. Morgan Trustee & Administration Services Limited**

### **Directors' report for the year ended 31 December 2019**

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.

#### **Financial Risk Management**

For more detail on financial risk management, refer to the Strategic Report (page 3).

#### **Disclosure of information to the auditors**

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

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 Section 418 of the Companies Act 2006.

#### **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**

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 remains in force at the date of these financial statements and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office of the Company.

#### **Independent auditors**

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

#### **Section 172(1) Companies Act 2006 Statement**

Section 172(1) Companies Act 2006 Statement is discussed in the strategic report under the heading "Section 172(1) Companies Act 2006 Statement".

Approved by the Board on 23 April 2020 and signed on its behalf by:



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N J C Bloxham  
Director  
23 April 2020

**J.P. Morgan Trustee & Administration Services Limited**  
**Directors' report for the year ended 31 December 2019**

# **Independent Auditors' Report to the Members of J.P. Morgan Trustee & Administration Services Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, J.P. Morgan Trustee & Administration Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 as at 31 December 2019; 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.

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.

## **Independent Auditors' Report to the Members of J.P. Morgan Trustee & Administration Services 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 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.

### *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 2019 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, 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.

## **Independent Auditors' Report to the Members of J.P. Morgan Trustee & Administration Services Limited**

### *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.

**Jonathan Wiseman**

.....  
Jonathan Wiseman (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

24 April 2020



**J.P. Morgan Trustee & Administration Services Limited**  
**Statement of comprehensive income for the year ended 31 December 2019**

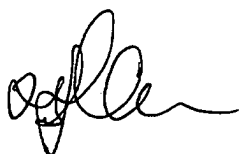
	Note	2019 £'000	2018 £'000
<b>Turnover</b>	2	1,668	4,848
Cost of sales		(223)	(518)
<b>Gross profit</b>		1,445	4,330
Administrative expenses	3	(1,773)	(2,806)
Other operating income/ (expense)	4	2,574	(22)
<b>Operating profit</b>		2,246	1,502
Interest receivable and similar income	5	6	4
<b>Profit before taxation</b>		2,252	1,506
Tax on profit	8	(142)	(286)
<b>Profit for the financial year and total comprehensive income for the year</b>		2,110	1,220

All amounts relate to continuing operations.

**J.P. Morgan Trustee & Administration Services Limited**  
**Balance sheet as at 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Current assets</b>			
Debtors	9	6	790
Cash at bank and in hand		8,239	11,349
		8,245	12,139
<b>Creditors: amounts falling due within one year</b>	10	(1,153)	(157)
<b>Net assets</b>		7,092	11,982
<b>Capital and reserves</b>			
Called up share capital	11	350	350
Profit and loss account		6,742	11,632
<b>Total shareholder's funds</b>		7,092	11,982

The financial statements on pages 13 to 23 were approved by the board of directors on 23 April 2020 and signed on its behalf by:



\_\_\_\_\_  
N J C Bloxham  
**Director**  
**23 April 2020**

\_\_\_\_\_  
Date

Company registered number: 01823867

**J.P. Morgan Trustee & Administration Services Limited**  
**Statement of changes in equity for the year ended 31 December 2019**

	Called up share capital	Profit and loss account	Total shareholder's funds
	£'000	£'000	£'000
<b>At 1 January 2018</b>	350	10,412	10,762
Profit for the financial year and total comprehensive income for the year	-	1,220	1,220
Dividends paid	-	-	-
<b>At 31 December 2018</b>	350	11,632	11,982
Profit for the financial year and total comprehensive income for the year	-	2,110	2,110
Dividends paid	-	(7,000)	(7,000)
<b>At 31 December 2019</b>	350	6,742	7,092

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 Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**1 Accounting policies**

**General Information**

The Company is a private company as is incorporated and domiciled in the UK. The address of its registered office is 25 Bank Street, Canary Wharf, London, E14 5JP.

**Basis of preparation**

The financial statements have been prepared 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 historical cost basis, except for the revaluation of certain financial instruments, and in accordance with the Companies Act 2006. The functional and presentation currency is sterling and amounts have been presented in round thousands ("£ 000s").

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 EU 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.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of JPMorgan Chase & Co. These financial statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement.

The financial statements of JPMorgan Chase & Co. can be obtained as described in note 12.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **Changes in accounting policy**

Effective 1 January 2019, the Company adopted IFRS 16 Leases, which superseded IAS 17 Leases. The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial information to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

The adoption of IFRS 16 did not result in any changes to the classification and measurement of leases.

#### **Revenue recognition**

##### **Recognition**

Revenue is earned from ISA and general investment account management in the UK. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model;

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

##### **Fee arrangements**

Below are details of fee arrangements and how these are measured and recognised, for revenue from the provision of services:

##### *Performance obligations*

Fees and commissions arise from ISA and general investment account management. Management services are satisfied over time as the services are provided and are typically based upon a percentage of the value of the client's assets under management.

##### *Transaction price*

Transaction price is determined based on the transaction price negotiated with the customer.

#### **Judgements and key areas of estimation uncertainty**

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgement in applying the Company's accounting policies. Due to nature of business undertaken by the Company, no significant accounting estimates or judgements were required in preparation of these financial statements.

## **J.P. Morgan Trustee & Administration Services Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **Financial instruments**

##### **Financial assets and liabilities**

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. Fee receivables

For fee receivables arising from contracts with customers (e.g. investment management fee receivables), the Company applies a provision matrix as a practical expedient for calculating expected credit losses. The matrix provides that in the case of institutional customers, a receivable is considered to have had a significant increase in credit risk ("SICR") if it is 90 days past due and credit-impaired, if it is 180 days past due at which point an ECL for 100% of the amount owed is recognised. In the case of non-institutional customers, a receivable is considered to have had a SICR if it is 30 days past due and credit-impaired and if it is 90 days past due at which point an ECL for 100% of the amount owed is recognised.

##### **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 Firm's resolution and recovery plan, 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.

#### **Client money**

Assets held and liabilities incurred in a fiduciary capacity have been excluded from these financial statements.

#### **Dividend recognition**

Dividend distributions are recognised in the period in which they are approved.

**J.P. Morgan Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**Cash and cash equivalents**

This includes deposits held on demand with banks with a maturity of less than 30 days and cash in hand.

**2 Turnover**

Turnover comprises charges, fees and commissions receivable from ISA and general investment account management and arises in the United Kingdom only.

The Company has only one class of business and operates in the United Kingdom only.

**3 Administrative expenses**

Amounts receivable by the Company's auditors in respect of the audit of the Company's financial statements for the year ended 31 December 2019 is £68,000 (2018:£57,000), and for audit related assurance services for the year ended 31 December 2019 are £145,000 (2018: £121,000). The audit remuneration costs are borne by a fellow subsidiary.

**4 Other operating income/ (expenses)**

	2019 £'000	2018 £'000
Other operating income/ (expenses)	2,574	(22)

Included within operating income for 2019 is the consideration received for the sale of accounts under management to third party providers.

**5 Interest receivable and similar income**

	2019 £'000	2018 £'000
Interest receivable on amounts held with Group undertakings	6	4

**6 Employee information**

The Company had no employees during the year (2018: nil). The employment contracts and associated costs for all staff are with fellow subsidiaries of the Group and are recharged to the Company from JPMorgan Asset Management (UK) Limited on a monthly basis as part of a management charge.

**J.P. Morgan Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**7 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments*	80	175
Total defined contribution pension payments for all directors	4	4
	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Number of directors who exercised share options	-	1
Number of directors to whom defined contribution pension rights accrued	3	-
Number of directors with shares received or receivable under LTIPs	3	4
Number of directors	3	5

\*The amounts shown above in respect of emoluments payable 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.

\*\*The highest paid director disclosures are not required for companies where the total emoluments are less than £200k.

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



**J.P. Morgan Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**8 Tax on profit**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
	<hr/>	<hr/>
<b>(a) Analysis of tax charge in the year</b>		
UK corporation tax on current year profits	142	286
	<hr/>	<hr/>
<b>Total tax charge for year</b>	<u>142</u>	<u>286</u>

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

The tax charge for the year is at standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
	<hr/>	<hr/>
Profit before taxation	2,252	1,506
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	428	286
	<hr/>	<hr/>
<b>Effects of:</b>		
Adjustments in respect of prior years	(286)	-
	<hr/>	<hr/>
<b>Total tax charge for the year</b>	<u>142</u>	<u>286</u>

The Chancellor announced as part of his 2020 Budget that the rate of corporation tax would remain at 19% with effect from 1 April 2020, which was subsequently substantively enacted in March 2020.

**J.P. Morgan Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**9 Debtors**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Trade debtors	4	326
Amounts owed by Group undertakings	2	464
	<u>6</u>	<u>790</u>

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

**10 Creditors: amounts falling due within one year**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Amounts owed to Group undertakings	1,071	2
Corporation tax	66	155
Other creditors	16	-
	<u>1,153</u>	<u>157</u>

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

**11 Called up share capital**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Authorised, allotted and fully paid</b>		
350,000 (2018: 350,000) ordinary shares of £1 each	<u>350</u>	<u>350</u>

**J.P. Morgan Trustee & Administration Services Limited**  
**Notes to the financial statements for the year ended 31 December 2019**

**12 Ultimate parent undertaking**

The immediate parent undertaking is JPMorgan Asset Management Marketing Limited.

The parent company of the 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

**13 Post balance sheet event**

Following the outbreak of the COVID-19 pandemic in early 2020, the Company and the Firm are monitoring the development of the pandemic and evaluating its impact on the financial position and operating results of the Company. As at the date on which this set of financial statements were authorised for issue, the Company was not aware of any material adverse effects on the financial position, operations or capital position as a result of the COVID-19 pandemic. For more detail on Firmwide measures refer to Financial instruments and risk management.

As a small residual amount of clients remain under the Company's management (refer to principal activities), the adverse market movements will have a negligible impact on the Company's future financial and regulatory capital position.