BASF Metal Forwards Limited

Annual Report and Financial Statements

Registered number 03101215

31 December 2020

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Strategic Report

Business review and results

The loss for the financial year was $214,000 (2019: profit $410,000). The equity shareholders' funds at the year end were $53,813,000 (2019: $54,027,000).

BASF Metal Forwards Limited ("the Company") executes financial instruments for counterparties to hedge their forward platinum group metals price risk. These activities enhance the relationship between BASF and strategic customers. These are executed within a regulated environment. Currently all customers are in the automobile industry. The Company shares infrastructure and skills with its sister company, BASF Metals Ltd to leverage on the existing infrastructure to access the relevant metal markets globally. It continues to monitor and review the current business operating models on a periodic basis. The primary metals that the Company trades are platinum and palladium.

Key performance indicators

One of the main key performance indicators for the Company is the volume of platinum group metal traded, on which the Company earns a return. However, the volume traded very much depends on the prices for platinum and palladium, the US Dollar and Euro exchange rate and also the overall economic environment.

The other key performance indicator for the Company is result before tax which for the financial year was a loss of $225,000 (2019: profit $506,000). Decreased dealing income has resulted in the uncertainty surrounding the outlook for global auto sales in 2020, consequently leading to lower hedging activities by the customers.

Financial Risk Management

The principal risks associated with the Company are credit, liquidity, market, operational and price risk. The Company is firmly committed to the management of these risks through comprehensive risk management practices as set out in Note 16.

Future developments

The Company will continue to offer counterparty executions to customers, with continued focus on longer dated maturities from which it earns its best returns.

On 31 December 2020, the UK exited the transition period and completed its withdrawal from the European Union. An EU-UK Trade and Cooperation Agreement was agreed by negotiators on 24 December 2020 which sets out preferential arrangements in areas such as trade in goods and in services. This agreement does not cover financial services and the MiFID passporting facility through which BMFL had conducted trading activities with EU counterparties is no longer available. Having assessed the regulations applicable in Germany and the UK the reverse solicitation model has been adopted by BMFL and the four counterparties have confirmed their agreement to this trading model. BMFL will continue to monitor developments that will enable the firm to identify the most effective trading model in the post Brexit environment.

After the first year anniversary of COVID 19, which has had an adverse effect on countries globally, management reviewed its impact on the business. COVID 19 did have an adverse impact on automobile production and it resulted in decreased hedging activities during the year. However, with the vaccine rollout and government fiscal stimulus, restrictions are being eased gradually in some countries. As confidence grows in the global auto market recovery it increases the possibility of higher Precious Group Metals (PGM) prices in future due to fundamental deficits in supply. This should lead to increased hedging activity by counterparties on any price movement.

Strategic Report *(continued)*

STATEMENT BY THE DIRECTORS IN THE PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

The Board of Directors of the Company, and each Director, have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the Company's various stakeholders and other matters set out in s172(1)(a-f) of the Act).
Upon appointment, each Director receives training on their duties and obligations under the Act. The following paragraphs summarise how the Directors fulfil their duties with respect to s172:

Business planning and decision making
The Company has a sufficient target capital base to achieve its budget. The Board considers any likely consequences of any decisions in the long term with consideration made with regard to the impact on the Company's regulatory compliance framework and its investment risk framework. The management reviews capital and liquidity plan on regular basis.

Risk management
As a FCA regulated Company, the activities are highly regulated and as such it is important that the Company has an effective risk management framework in place.

Business Relationships
The business strategy of the Company prioritises organic growth of the net trading book revenues through the development of new strategies and improving the performance of existing strategies. The Company is dependent upon external factors such as volatility and volume in the markets the Company trades on. To enable the Company to achieve this strategy, the Directors of the Company ensure that the Company's employees develop and maintain strong relationships with its brokers, counterparties and trading venues.

Business Conduct
The Directors have a duty to ensure that the Company maintains the highest standards of conduct, including compliance with the FCA's market conduct rules. The Directors receive regular updates from the Company's compliance team, including key performance indicators arising from the monitoring of trading behaviour.

Community and Environment
The Board of Directors considers the impact of the Company's operations on the community and the environment. Major car makers, although comparatively limited in experience building and selling alternative drive vehicles, stand out for having the clear plan for electrification in future. The Company will work with them to support the change.

Engaging with our shareholder
As the Board of Directors, our intention is to behave responsibly towards our shareholder and treat the shareholder adequately, so the shareholder may benefit from the success delivery of our business plan.

Signed on behalf of the Board

V. Vergopoulos

V Vergopoulos
Director

21st Floor
110 Bishopsgate
EC2N 4AY, London
United Kingdom
21 April 2021

Directors' Report

The directors present their directors' report and financial statements for the year ended 31 December 2020 which have been prepared on the going concern basis, as the Directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future (Note 1 (b)).

Principal activities

The Company's principal activity is to facilitate platinum group metals hedging for its customers. The Company is authorised and regulated by the Financial Conduct Authority to conduct investment business under the Financial Services and Markets Act 2000 (as amended in 2012). The Company has been an Affiliate Member of the London Platinum and Palladium Market since 2013.

Financial Results

The loss for the financial year was $214,000 (2019: profit $410,000). The equity shareholders' funds at the year end were $53,813,000 (2019: $54,027,000).

Financial instruments

A financial instrument is recognised if the Company becomes party to the contractual provisions of the instrument. The Company classifies its financial instruments as per the categories set out in Note 1 (f). Management determines the classification of the financial instruments at initial recognition and re-evaluates this designation at every reporting date.

Going concern assessment

The Directors have made an assessment in preparing these financial statement as to whether the group is a going concern, covering a period of at least 12 months from the date of approval of these financial statements. The Company is expected to generate positive cashflows and, in view of the current market conditions, the Directors have considered existing and future funding lines, an extreme stressed scenario where there is no revenue for the next 12 months, as well as its short-term trading operations and are satisfied about the Company's ability to meet obligations as they fall due.

The Directors confirm the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. Accordingly, the Company's financial statements have been prepared on a going concern basis.

Proposed dividend

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

Directors

The directors who held office during the year were as follows:

J Metcalf	
V Vergopoulos	
S Boegenhold	
R Carter	(resigned 31 May 2020)
M Dohrn	(appointed 1 June 2020)

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Directors' Report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 for the Companies Act 2006, the auditor will be deemed to be reappointed, and KPMG LLP will therefore continue in office.

By order of the board

V Vergopoulos

V Vergopoulos
Director

21st Floor
110 Bishopsgate
London
United Kingdom
EC2N 4AY
21 April 2021

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgments and estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of BASF Metal Forwards Limited

Opinion

We have audited the financial statements of BASF Metals Forwards Limited ("the company") for the year ended 31 December 2020 which comprise the Statement of Profit and Loss or Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent Auditor's Report to the members of BASF Metal Forwards Limited *(continued)*

- Enquiring of senior management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue calculation is straight forward and based on independent inputs for derivative prices, with trade confirmation received for every trade. Therefore, there is no judgement involved in revenue recognition and no scope for revenue to be manipulated by anyone in the company.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted on weekends or bank holidays and manual journal entries posted to revenue around year end.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.
As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent Auditor's Report to the members of BASF Metal Forwards Limited *(continued)*

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the members of BASF Metal Forwards Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.

Mike Heath

Mike Heath (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
Date: 22 April 2021

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2020

	Note	**2020 $000**	2019 $000
Dealing income	*1 (d)*	**105**	376
Gross profit		**105**	376
Administrative expenses		**(442)**	(309)
Other operating income	*2*	**6**	14
Operating (loss)/profit		**(331)**	81
Interest receivable and similar income	*3*	**106**	425
(Loss)/profit before taxation		**(225)**	506
Tax on loss/(profit)	*7*	**11**	(96)
(Loss)/profit for the financial year		**(214)**	410

The Company has no recognised gains or losses for the current and previous financial years other than those stated in the profit and loss account.

The result for the year and the prior period has arisen from continuing activities.

The accompanying notes from page 13 to 28 form an integral part of these financial statements.

Balance sheet
At 31 December 2020

	Note	**2020 $000**	**2020 $000**	2019 $000	2019 $000
Non-current assets					
Derivative financial asset over one year	*8*		**4,557**		23,137
Current assets					
Debtors falling due within one year	*9*	**18**		15	
Investments	*10*	**-**		-	
Cash at bank and in hand		**54,119**		54,256	
Derivative financial asset under one year	*8*	**51,516**		53,623	
		105,653		107,894	
Creditors falling due within one year	*11*	**(325)**		(240)	
Derivative financial liability under one year	*8*	**(51,515)**		(53,627)	
Net current assets			**53,813**		54,027
Total assets less current liabilities			**58,370**		77,164
Derivative financial liability after one year	*8*		**(4,557)**		(23,137)
Net assets			**53,813**		54,027
Capital and reserves					
Called up share capital	*12*		**41,750**		41,750
Profit and loss account			**12,063**		12,277
Shareholders' funds			**53,813**		54,027

The accompanying notes from page 13 to 28 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 21 April 2021 and were signed on its behalf by:

V Vergopoulos

V Vergopoulos
Director

Company registered number: 3101215

Statement of Changes in Equity
At 31 December 2020

	Share Capital $000	Profit and Loss Account $000	Total $000
Balance at 1 January 2019	41,750	11,867	53,617
Profit and total comprehensive income for the period	-	410	410
Balance at 31 December 2019	41,750	12,277	54,027
Balance at 1 January 2020	41,750	12,277	54,027
Loss and total comprehensive income for the period	-	(214)	(214)
Balance at 31 December 2020	41,750	12,063	53,813

The accompanying notes from page 13 to 28 form an integral part of these financial statements.

Notes

1 Accounting policies

BASF Metal Forwards Limited (the "Company") is a private company limited by shares, incorporated in England and Wales and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 – Reduced Disclosure Framework ("FRS 101").

Under FRS 101, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, BASF Societas Europaea ("BASF SE"), includes the Company in its consolidated financial statements. The consolidated financial statements of BASF SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from, D67056 – Ludwigshafen, Germany. In these financial statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(a) Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value.

(b) Going Concern Basis

The Directors have made an assessment in preparing these financial statement as to whether the Company is a going concern, covering a period of at least 12 months from the date of approval of these financial statements. The Company is expected to generate positive cashflows and, in view of the current market conditions, the Directors have considered existing and future funding lines, an extreme stressed scenario where there is no revenue for the next year, as well as its short-term trading operations and are satisfied about the Company's ability to meet obligations as they fall due.

The Directors confirm the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. Accordingly, the Company financial statements have been prepared on a going concern basis.

(c) Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Notes *(continued)*

1 Accounting policies *(continued)*

(d) Dealing income

The Company applies the IFRS 15 revenue recognition model to the recognition of dealing income under which income must be recognized when control of goods and services is transferred, hence when the contractual performance obligations to the customer has been satisfied. The amount of income is measured on the basis of a contractually agreed formula for the performance obligation defined in the contract. Dealing income is recognised in the month the trade is entered into i.e. the performance obligation met, based on the pre-determined formula as per the contract.

(e) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(f) Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated, all other financial assets and financial liabilities are initially recognised when the company becomes party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets – classification

The classification and measurement of financial assets is based on the contractual cash flow characteristics and the business model used for managing financial assets.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost, including all derivative financial assets, are measured at fair value through profit and loss (FVTPL).

Notes *(continued)*

1 Accounting policies *(continued)*

(f) Financial instruments *(continued)*

Investments

Investments in subsidiaries are carried at cost less impairment.

Financial assets – subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses recognised in profit or loss. Interest income, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value with changes in fair value recognised in the statement of profit and loss. This category includes derivative financial instruments.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value with any net gains and losses (including interest expense) recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the Company no longer has a contractual right to the cash flows from the financial asset or when the financial asset is transferred together with all material risks and rewards of ownership and the Company does not have control of the financial asset after it has been transferred. Financial liabilities are derecognised when the contractual obligations expire, are discharged or cancelled.

Derivative financial instruments

Derivative financial instruments entered into by the Company are not designated as hedging instruments in hedge relationships as defined by IFRS 9. These are carried in the balance sheet at fair value, with changes in fair value recognised in dealing income in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Company has in place master netting agreements that stipulate if both parties to a transaction are required to make payments under the agreement in the same currency on the same day; the party which owes the higher amount will pay the difference between the amounts owed.

ISDA and similar master netting agreements meet the criteria for offsetting in the balance sheet. This is because firstly, they create for parties to the agreement a legally enforceable right to set-off the recognised amount; and secondly that both parties to these agreements regularly engage in settlement on a net basis.

The values of financial assets and financial liabilities offset in the balance sheet are disclosed in Note 16.

Notes *(continued)*

1 Accounting policies *(continued)*

(f) Financial instruments *(continued)*

Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets held at amortised cost.

Impairments are recognised for ECLs at the time of subsequent measurement. The extent of ECLs is determined based on the credit risk of a financial asset and any changes to this credit risk. If the credit risk of a financial asset has increased significantly since initial recognition, ECLs are generally recognised over the lifetime of the asset. If the credit risk has not increased significantly in this period, impairments are generally only recognised for the 12-month ECLs. Under the simplified approach for determining ECLs permitted by IFRS 9, impairments for trade receivables always cover the lifetime ECLs of the receivable concerned.

The credit risk of a financial asset is assessed using both internal information and external rating information on the respective counterparty and are reviewed annually.

Regional and, in certain circumstances, industry-specific factors and expectations are taken into account when assessing the need for a valuation allowance as part of the calculation of ECLs and individual valuation allowances. In addition, internal and external ratings and the assessments of debt collection agencies are used when available. Individual valuation allowances are also based on experience and customer-specific risks. ECLs and individual valuation allowances are only calculated for those receivables not covered by insurance or other collateral.

A decrease in valuation allowances due, for example, to a reduction in credit risk of a counterparty is recorded in profit or loss.

At each reporting date the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

(g) Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 'Reduced Disclosure Framework' requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingences at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Director's best knowledge of the amounts, events or actions, actual results may differ from these estimates.

(h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

(i) Expenses

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

2 Other operating income

	2020 $000	2019 $000
Gains from foreign currency transactions	6	14

3 Interest receivable and similar income

	2020 $000	2019 $000
Bank interest receivable	106	425

4 Auditor's remuneration

Included in loss for the year are the following:

	2020 $000	2019 $000
Audit of the financial statements pursuant to legislation:		
- Statutory	38	24
Audit of the financial statements pursuant to legislation:		
- Regulatory	16	13

5 Staff numbers and costs

The Company does not have any employees. Staff are employed by a subsidiary of the ultimate parent company which recharges costs attributable to work undertaken for the Company.

6 Directors' remuneration

None of the directors were employed by the Company. The cost of services provided to the Company were recharged by a fellow subsidiary. These costs were attributable to the Company as follows:

	2020 $000	2019 $000
Aggregate directors' emoluments	14	11
Company contributions to money purchase pension plans	1	1

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was $10,000 (2019: $6,000) and company pension contributions of $100 (2019: $100) were made to a money purchase scheme on their behalf.

	Number of directors 2020	2019
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	3	3

Notes *(continued)*

7 Taxation

Recognised in the income statement

	2020		2019	
	$000	$000	$000	$000
UK corporation tax				
Current tax on income for the period	(42)		96	
Adjustments in respect of prior periods	(1)		0	
Total current tax		(43)		96
Foreign tax		32		-
Tax on result on ordinary activities		(11)		96

Reconciliation of effective tax rate

	2020	2019
	$000	$000
(Loss)/profit for the year	(214)	410
Total tax (credit)/expense	(11)	96
(Loss)/profit excluding taxation	(225)	506
Tax using the UK corporation tax rate of 19% (2019: 19%)	(43)	96
Foreign taxes	32	-
Under provided in prior years	(1)	-
Impact of exchange rates	1	-
Total tax (credit)/charge	(11)	96

The UK corporation tax rate is maintained the same at 19%.

Notes *(continued)*

8 Derivative financial assets and liabilities

See accounting policy in Note 1 (f)

The Company enters into derivative contracts with its corporate customers who are seeking to hedge their forward platinum group metals price exposure by way of cash settled hedge arrangements. The Company in turn hedges these open positions with another Group entity.

The Company has in place master netting agreements that stipulate if both parties to a transaction are required to make payments under the agreement in the same currency on the same day; the party which owes the higher amount will pay the difference between the amounts owed. The figures in the table below reflect the effect of these netting arrangements. Reconciliation between the gross and the net amount derivative financial assets and liabilities is given in Note 16.

	2020		2019	
	Assets $000	**Liabilities $000**	Assets $000	Liabilities $000
Derivatives				
Current	**51,516**	**(51,515)**	53,623	(53,627)
Non-current	**4,557**	**(4,557)**	23,137	(23,137)
	56,073	**(56,072)**	76,759	(76,763)

The Company measures fair values using the fair value hierarchy that reflects the significance of inputs used in making the measurements. The derivative financial assets and liabilities of the Company fall within the category of Level 2 (Note 17).

9 Debtors: amounts falling due within one year

	2020 $000	2019 $000
Other debtors	**8**	7
Prepayments	**10**	8
	18	15

10 Investments

As at 31 December 2020, the Company held 8,000 1p B shares in LME Holdings Limited, which were allocated to the Company for nil consideration when it was an Associate Broker Clearing Member.

The directors believe that since there is no active market for the shares, it is appropriate to record them at a carrying value of nil.

Even though the B shares in LME Holdings Limited are freely transferable to any person, the transfers are subject to LME Board approval. These transfers are sporadic and are sold through a matched bargain share dealing service. The published bid-offer prices do not follow an observable correlation between price and the number of shares being traded or between sales occurring within a small period of time. Consequently, the shares are valued at cost as no reliable estimate of fair value can be made.

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2020	2019
	$000	$000
Amounts owed to group undertakings	**98**	72
Accruals	**16**	-
Corporation tax	**211**	168
	325	240

12 Capital and reserves

Share capital

	2020	2019
	$000	$000
Allotted, called up and fully paid		
25,000,000 Ordinary shares of £1 each	**41,750**	41,750

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Contingent Liabilities

As a result of group registration for UK VAT purposes the Company is contingently liable for the VAT liabilities of certain other group and associate undertakings. As at the balance sheet date the group is in a net reclaimable position with respect to VAT and therefore the maximum potential contingent liability of the Company is Nil (2019: Nil).

14 Commitments

All other lease contracts are entered into by a fellow subsidiary of the ultimate parent company. The Company is recharged a proportion of these costs each month.

15 Ultimate parent company and parent company of larger group.

The Company is a wholly owned subsidiary of BASF Catalysts UK Holdings Limited, a company registered in England and Wales. Registered office 21st Floor, 110 Bishopsgate, London, EC2N 4AY. The directors consider the ultimate controlling party to be BASF Societas Europaea (BASF SE), a company incorporated in Germany.

The largest & smallest group in which the results of the Company are consolidated is that headed by BASF SE.

The consolidated financial statements of BASF SE are available to the public and may be obtained from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

Notes *(continued)*

16 Financial risk management

The Company has exposure to the following risks from its use of financial instruments in the normal course of the Company's operations:-

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Commodity price risks
- Concentration risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company is firmly committed to the management of risks, recognising that sound internal risk management is essential to its prudent operation, particularly with the growing complexity, diversity and volatility of markets, facilitated by rapid advances in technology and communications. Risk management is given high priority throughout the Company and is integral to the management of the business.

Responsibility for risk management policies and limits and the level of risks assumed lies with the Board of Directors. The Board charges management with developing, presenting, updating and implementing these policies, controls and limits. The structure is designed to provide assurance that no single event, or combination of events, will materially affect the well-being of the Company.

The Company's Board of Directors and Divisional Management monitor compliance with risk management, assist in assessing market trends, economic and political developments, and providing global strategic direction for all aspects of risk management.

Active, hands-on senior management plays a key role in the identification, evaluation and management of all risks. All credit and new product decisions require direct senior management approval.

The Company has in place an extensive number of limit controls and management information systems to facilitate effective management overview.

The following basic elements of sound risk management are applied to all financial instruments, including derivatives

- appropriate review by the Board of Directors and senior management
- adequate risk management processes which integrate product sectoral risk limits
- sound measurement procedures and information systems
- continuous risk monitoring and frequent management reporting
- segregation of duties, comprehensive internal controls and internal audit procedures

Credit Risk

Credit risks arises when counterparties do not fulfil their contractual obligations.

The credit risk management process is performed according to BASF guidelines and these activities include the establishment of customer Credit Limits, the credit hold and release process, the on-going credit review of customer accounts, and timely payment collection of outstanding invoices.

All counterparties are assessed for credit purposes and trading facilities are granted accordingly. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

Only counterparties assessed to be creditworthy are dealt with by the company, accordingly no analysis of financial assets by credit rating has been provided.

Notes *(continued)*

16 Financial risk management *(continued)*

Risk management framework *(continued)*

Credit Risk *(continued)*

The Company mitigates the credit risk of derivatives by entering into derivatives under International Swaps and Derivatives Association (ISDA) or similar master netting agreements. In general, under these netting agreements in certain circumstances (e.g. when a credit event such as a default occurs, i.e. when counterparties can not meet their contractual obligations), all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Company's balance sheet; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, such as derivatives, irrespective of whether they are offset in the balance sheet.

Financial instruments such as debtors and creditors are not disclosed in the tables below unless they are offset in the balance sheet.

a) Financial assets subject to offsetting, enforceable master netting agreements and similar arrangements

31 December 2020

In $'000	Gross amount of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not offset	Net amount
Types of financial asset					
Derivative financial assets	1,609	(1,532)	77	(77)	-
Total	1,609	(1,532)	77	(77)	-

31 December 2019

In $'000	Gross amount of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not offset	Net amount
Types of financial asset					
Derivative financial assets	3,338	(3,338)	-	-	-
Total	3,338	(3,338)	-	-	-

Notes *(continued)*

16 Financial risk management *(continued)*

Credit Risk *(continued)*

b) Financial liabilities subject to offsetting, enforceable master netting agreements and similar arrangements

31 December 2020

In $'000	Gross amount of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset	Net amount
Types of financial liability					
Derivative financial liability	55,997	(1,532)	54,464	(77)	54,387
Total	55,997	(1,532)	54,464	(77)	54,387

31 December 2019

In $'000	Gross amount of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not offset	Net amount
Types of financial liability					
Derivative financial liability	76,693	(3,338)	73,355	-	73,355
Total	76,693	(3,338)	73,355	-	73,355

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the balance sheet on the fair value basis.

The tables below reconcile the 'Net amounts of financial assets and liabilities presented in the balance sheet', as set out above, to the line items presented in the balance sheet.

31 December 2020

In $'000	Net amount	Line item in balance sheet	Carrying amount in balance sheet	Financial assets not in scope of offsetting disclosures	Note
Type of financial asset					
Derivative financial asset	77	Derivative financial asset (current and non-current)	56,073	55,996	8
Type of financial liability					
Derivative financial liability	54,464	Derivative financial liability (current and non-current)	56,072	1,608	8

31 December 2019

In $'000	Net amount	Line item in balance sheet	Carrying amount in balance sheet	Financial assets not in scope of offsetting disclosures	Note
Type of financial asset					
Derivative financial asset	-	Derivative financial asset (current and non-current)	76,759	76,759	8
Type of financial liability					
Derivative financial liability	73,355	Derivative financial liability (current and non-current)	76,763	3,408	8

Notes *(continued)*

16 Financial risk management *(continued)*

Credit Risk *(continued)*

The maximum exposure to credit risk at the balance sheet date was $110,192,000 (2019: $131,015,000) being the total of the carrying amount of financial on balance sheet assets. This exposure is limited by $1,532,000 (2019: $3,338,000) of offsetting derivatives with the same counter party.

The Company has no material exposure to external trade debtors.

The Company has no financial assets for which an aging analysis is applicable. Accordingly, no such analysis has been provided.

Sovereign Risk

The Company's group parent has established procedures to manage country risk, given that during the year there continued to be periods of significant volatility in Eurozone bond markets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due as a result of a mismatch in cash flows arising from liabilities and assets. To mitigate this risk, the liquidity structure of assets, liabilities and commitments is managed so that the resultant cash flows are appropriately balanced to ensure that all obligations can be met when due.

The Company's derivative financial instruments are hedged with other group entities in order to hedge open positions and resultant liquidity risk. As a result of these arrangements, all the cash inflows are exactly matched with the cash outflows on these financial instruments.
The following tables set out the contractual maturities of financial liabilities.

31 December 2020	Carrying amount $000	Under 3 months $000	3-12 months $000	1-2 years $000	Over 2 years $000	Total $000
Derivatives	**56,072**	**17,896**	**33,619**	**2,729**	**1,828**	**56,072**
Non-derivatives:						
Amounts owed to group companies	**98**	**98**	-	-	-	**98**
Total	**56,170**	**17,994**	**33,619**	**2,729**	**1,828**	**56,170**

31 December 2019	Carrying amount $000	Under 3 months $000	3-12 months $000	1-2 years $000	Over 2 years $000	Total $000
Derivatives	76,763	18,213	35,413	21,557	1,580	76,763
Non-derivatives:						
Amounts owed to group companies	72	72	-	-	-	72
Total	76,835	18,285	35,413	21,557	1,580	76,835

Trading liabilities and derivatives have been allocated a liquidity outflow based on the contractual maturity of the instrument.

Notes *(continued)*

16 Financial risk management *(continued)*

Market Risk

Market risk is the risk of loss from changes in market prices and rates, the correlations among them, and their levels of volatility.

The Company's trading activities are accounted for on a mark-to-market basis, and financial assets, financial liabilities and derivatives which form part of such activities are accounted for at fair value through the profit and loss account.

Trading limits of precious metal positions are established for each trading book, individual limits are allocated to each legal entity within the division which take into account volumetric and market value considerations and are subject to regular review. All trading limits are monitored daily by the Operations department and are signed off by the Operations Manager. The Finance department, with the help of the dealing desk, uses a variety of tools that are available to them in order to monitor price movements.

All exposures are marked-to-market and monitored against their respective limits on a daily basis.

No sensitivity analysis has been performed because all derivatives are hedged with equivalent derivatives and so the company has no exposure to market risk. These derivatives are economic hedges matched in maturity and underlying asset, and the credit rating of the hedging counterparties are equivalent. Consequently, no separate table has been disclosed.

Foreign Currency Risk

Currency risk arises as a result of the Company having financial assets and liabilities denominated in a number of foreign currencies. Currency transactions are matched where possible in order to eliminate currency exposures. The Company does not actively speculate in foreign currencies and does not deal in foreign exchange forwards, options or futures except to the limited extent necessary to hedge cash flows arising from its own activities.

Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustments within a specific period. The Company utilises swaps when required by particular customer transactions, but hedges its position using a back to back contract with other group companies to mitigate any exposures from these transactions. As a result, the Company does not have a material exposure to interest rate risk.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human behaviour and systems, or from external events.

Operational risks are managed and controlled within the individual business lines and a wide variety of checks and balances to address operational risks have been developed as an important part of the Company's risk management culture. They include adoption of the overall, group-wide standards and policies established by the Ultimate Parent (BASF SE) to ensure proper risk analysis and control, including risk management policies, a rigorous planning process, regular organisational review, through enforcement of the Company's Guidelines on Business Conduct and clearly defined and documented approval authorities.

The Company is also subject to a documented compliance program, the elements of which are regulatory awareness, regulatory risk assessment, compliance monitoring and reporting. Regular audits by the Internal Audit Department which includes comprehensive reviews of the design and operation of internal control systems in all business and support groups, new products and systems and the reliability and integrity of data processing operations. The Company's management approves an annual audit scope and plan and reviews all subsequent reports and management responses to ensure appropriate corrective action is taken.

Notes *(continued)*

16 Financial risk management *(continued)*

Market Risk *(continued)*

Commodity price risks

The Company constantly monitors the risks by a combination of internal reports and external market information system. The exposure related to this risk is reduced due to natural hedges based on the contract terms with counterparties. If necessary the Company enters into hedging activities in order to further reduce the exposure.

Concentration Risk

The Company has four active external trading customers. Further the Company trades only in Contract for Difference.

As these customers also have significant transactions with the wider group, the management believes that concentration of business with customers is not an immediate risk for its business.

Management closely reviews its business with the current customers and demand for its services in light of market developments.

17 Fair value of financial instruments

The Company determines fair values of financial instruments not traded in active markets by the use of valuation techniques. Financial instruments that trade infrequently or have little price transparency require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 – inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3 – inputs that are unobservable, thereby allowing for situations in which there is little, if any, market activity for the instrument.

The fair values of derivative financial instruments are determined in a valuation model using market prices as its basis for calculation. Where prices are not available for longer dated instruments, this model assumes that the calculated forward prices will continue along the curve created by prices already observed within the model.

There is no impact on the fair value measurements on the profit or loss as all derivatives are equally hedged.

Financial instruments measured at fair value – fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the balance sheet.

17 Fair value of financial instruments (continued)

Financial instruments measured at fair value – fair value hierarchy (continued)

			2020		
	Note	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Derivative Financial Assets	9	**-**	**56,073**	-	**56,073**
Total		**-**	**56,073**	-	**56,073**
Derivative Financial Liabilities	9	**-**	**(56,072)**	-	**(56,072)**
Total		**-**	**(56,072)**	-	**(56,072)**

			2019		
	Note	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Derivative Financial Assets	9	-	76,759	-	76,759
Total		-	76,759	-	76,759
Derivative Financial Liabilities	9	-	(76,763)	-	(76,763)
Total		-	(76,763)	-	(76,763)

Financial instruments not measured at fair value

The fair value of financial instruments not carried at fair value is a reasonable approximation of the fair values of these instruments.

No fair value disclosures are provided for equity instrument securities that are measured at cost because their fair value cannot be reliably measured. These are investments in LME shares for which shares no active market exists. The cost of these shares was $nil (2019: $nil).

Notes *(continued)*

18 Capital Management

The Company complies with the Capital Adequacy for Firms Subject to IPRU (INV) Chapter 3.

The Company's policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain the future development of the business. The Company calculates its capital adequacy on a daily basis by comparing the total capital requirement to capital available to meet this requirement (Regulatory Capital). At 31 December 2020 and throughout the year, the Company had maintained Regulatory Capital in excess of the externally required total capital requirements.

The Company's regulatory capital position as at 31 December was as follows.

	2020	2019
	$000	$000
Balance sheet:		
Share Capital	**41,750**	41,750
Profit & Loss Reserve	**12,063**	12,277
Total Tier 1 Capital	**53,813**	54,027
Total Regulatory Capital	**53,813**	54,027

The Regulatory Capital shown above differs from that reported to the FCA because retained profits cannot be included until such time as the Financial Statements for the relevant period have been audited and approved.

Appendix A (Unaudited)

Pillar 3 disclosure

BASF Metal Forwards Limited is authorised and regulated by the Financial Conduct Authority (FCA) to conduct business under the Financial Services and Markets Act 2000 as amended by the Financial Services Act 2012. The company is classified as an "Exempt BIPRU Commodities Firm" by the FCA. In accordance with the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") of the FCA, Exempted BIPRU Commodities firms are required to make certain disclosures to market participants. These are known as Pillar 3 disclosures.

The Pillar 3 disclosure for BASF Metal Forwards Ltd is published on the website shown below.

https://www.basf.com/gb/en/company/about-us/BASF-in-the-United-Kingdom/BASF-Metals-Forwards-Limited--BMFL-.html