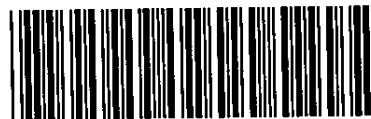


COMPANY REGISTRATION NUMBER: 2036243

**JUPITER ASSET MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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JUPITER ASSET MANAGEMENT LIMITED

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JUPITER ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their annual report and audited financial statements of Jupiter Asset Management Limited (the "Company") for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The Company as investment manager for a variety of investment products is authorised and regulated by the Financial Services Authority. The Company acts as investment manager to investment trust companies, institutional funds, SICAVs and private clients and as investment advisor to unit trusts, hedge funds and other specialist funds. No significant change in the business of the Company is envisaged at present.

The Company is a subsidiary of Jupiter Fund Management plc ("JFM plc") and is therefore part of a Group of investment management companies collectively known as the "Group". The Company has two overseas branches in Germany and Switzerland.

BUSINESS REVIEW

Results and key performance indicators

Against a background of challenging markets, operating profit before exceptional items decreased by 24.7% to £24,638,000 (2011: £32,709,000) due to increased administrative expenses arising from an increase in variable personnel and occupancy costs.

Dividends received from the Company's principal subsidiary in the year amounted to £58,000,000 (2011: £77,500,000). The profit for the financial year was £79,785,000 (2011: £102,568,000).

During the year dividends of £50,183,000 were paid (2011: £140,000,000). No final dividend is proposed (2011: £Nil).

At 31 December 2012, the Company had net assets of £93,803,000 (2011: £50,559,000). The Directors are confident of the Company's medium term prospects.

The Directors of Jupiter Fund Management plc manage the Group's operations on a single operating segment basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Jupiter Fund Management plc Group, which includes the Company, is discussed in the 'Business review' section of the Group's Annual Report which does not form part of this report.

Exceptional Items

During 2012 the Company recognised exceptional income of £3,108,000, being a partial refund of the 2010 payment of £3,226,000 made by the Company to the Financial Services Compensation Scheme. There were no items arising in 2011 which the Company considered to be exceptional.

Future developments

The Company's future is dependent on the strategic and organisational decisions of its parent and the wider Group. At this time, the Directors do not envisage any significant changes to the Company's activities.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company has developed a risk assessment/management process that ensures all functions within the organisation identify and prioritise risks and that all significant risks are recorded and managed. Each part of the business is responsible for developing and maintaining procedures and controls. Operational activities that are outsourced to third party providers are monitored on a regular basis.

JUPITER ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Company operates in a competitive environment and the business is reliant on continuing demand for its investment products, which is influenced by several factors including investment performance and retention of key personnel. The industry is sensitive to economic, political and market factors. A large proportion of assets under management are invested in equities and therefore the Company's profits are sensitive to fluctuations in equity markets.

Taxation, legal and regulatory factors also influence the markets in which the Company operates. The industry is highly regulated and change in laws and regulations governing the industry could have an adverse effect on the Company.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the 'Principal risks and mitigations' section of the Group's Annual Report which does not form part of this report.

Financial risk management

In accordance with the rules of the Financial Services Authority, the Group has published information on its risk management objectives and policies and on its regulatory requirements and resources. This information is available on the Jupiter Group's website (www.jupiteronline.com).

The Company's operations expose it to a variety of financial risks including, foreign exchange risk, interest rate cash flow risk and credit risk. The Company operates systems and controls to mitigate any adverse effects across the range of risks.

Foreign Exchange Risk

The Company earns fees in foreign currencies from several overseas clients. The Company's policy is to hold only a minimum amount of currency to cover operational needs and therefore converts foreign currency on receipt. Direct exposure is therefore limited to the short-term outstanding currency fee debts at any time. The Company does not normally hedge this risk.

Interest Rate Cash Flow Risk

The Company has no debt. The Company is only exposed to interest rate cash flow risk in the level of return it earns on its cash deposits.

Credit Risk

The Company has implemented policies that require appropriate credit checks on customers. The Company is also directly exposed to credit risk in the placement of its cash deposits. The Company's policy is to place deposits only with financial institutions, which satisfy minimum ratings and other criteria set by the Counterparty Review Group ("the Committee"). The Committee monitors the Company and Group's counterparty exposures.

SUPPLIER POLICY

It is the Company's payment policy to obtain the best terms for all business and therefore there is no consistent policy as to the terms used. In general, the Company agrees with its suppliers the terms on which business will take place and it is our policy to abide by these terms. The average number of trade creditor days for the Company was 24.0 (2011: 28.2).

EMPLOYEES

Employee involvement

We place high value on talent development and performance management. We encourage the ongoing training and development of all our employees to allow them to maximise their performance in their roles, assist them in the achievement of corporate objectives and to reach their potential. All employees take part in a six-monthly appraisal process where feedback is sought, performance assessed and training and development needs identified. In addition, the Company regularly provides employees with updates on Company performance, strategy and other information that concerns them through the quarterly staff newsletter and staff meetings.

JUPITER ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Our remuneration policy is designed to motivate, aid retention, improve individual and corporate performance and align employee behaviour with the interests of shareholders

Disabled persons

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions. The Company provides training, career development and promotion to disabled employees wherever appropriate.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were

E H Bonham Carter	R T Hogg
J H Chatfield-Roberts	P M Johnson
R J C Corfield	K Marsden
C L Crawford	A G Nutt
A J Creedy	R V Parker
M F Slendebroek (appointed 4 September 2012)	
T P A Hillgarth (appointed 24 April 2012/resigned 31 December 2012)	

As permitted by the Articles of Association, the Directors have the benefit of indemnities in relation to the Company or an associated company which are qualifying third party indemnity provisions and qualifying pension scheme indemnity provisions, as defined by Sections 234 and 235 of the Companies Act 2006. The qualifying third party indemnity provisions were in force during the year and also at the date of approval of the financial statements.

ENVIRONMENTAL POLICY

We believe that environmental responsibility and commercial success are compatible and we are committed, wherever practicable, to environmental good practice throughout our business activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing 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 the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

JUPITER ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

GOING CONCERN

The Company has access to the financial resources required to run the business efficiently. The Company's forecasts and projections show that the Company will be able to operate within its available resources. As a consequence, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

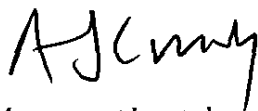
DISCLOSURE OF INFORMATION TO AUDITORS

The Directors are not aware of any relevant audit information of which the Company's auditors are unaware. The Directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

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

BY ORDER OF THE BOARD



Jupiter Asset Management Limited
Company secretary
1 Grosvenor Place
London SW1X 7JJ
18 March 2013

JUPITER ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Jupiter Asset Management Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

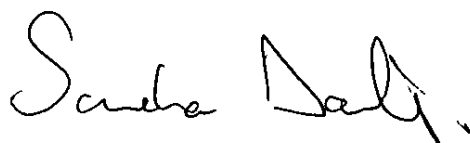
JUPITER ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sandra Dowling (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 March 2013

JUPITER ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
Turnover	2	140,752	138,728
Distribution costs		(3,651)	(3,577)
Administrative expenses		(109,962)	(102,458)
Other operating income		-	16
Expense on derivatives		<u>(2,501)</u>	<u>-</u>
Operating profit before exceptional items		24,638	32,709
Exceptional items	5	<u>3,108</u>	<u>-</u>
Operating profit		27,746	32,709
Profit on investments		1,236	-
Income from shares in group undertaking		58,000	77,500
Interest receivable and similar income	8	<u>279</u>	<u>498</u>
Profit on ordinary activities before taxation	3	87,261	110,707
Tax on profit on ordinary activities	9	<u>(7,476)</u>	<u>(8,139)</u>
Profit for the financial year	18	<u>79,785</u>	<u>102,568</u>

All amounts relate to continuing operations

There is no difference between the results for current and prior year and the historical cost equivalent

There are no other recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been prepared

The notes on pages 11 to 25 form part of these financial statements

JUPITER ASSET MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible fixed assets	11	3,611	3,711
Investments in Group undertakings	12	<u>50</u>	<u>50</u>
		<u>3,661</u>	<u>3,761</u>
CURRENT ASSETS			
Investments	13	27,422	-
Debtors amounts falling due within one year	14	36,817	20,425
Debtors amounts falling due after more than one year	14	6,727	4,252
Cash at bank and in hand		<u>76,471</u>	<u>75,955</u>
		<u>147,437</u>	<u>100,632</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(57,295)</u>	<u>(53,834)</u>
NET CURRENT ASSETS		<u>90,142</u>	<u>46,798</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>93,803</u>	<u>50,559</u>
NET ASSETS		<u>93,803</u>	<u>50,559</u>
CAPITAL AND RESERVES			
Called up share capital	16	19,000	19,000
Share premium account	17	317	317
Profit and loss account	18	74,056	30,812
Other reserve	19	<u>430</u>	<u>430</u>
TOTAL SHAREHOLDER'S FUNDS	20	<u>93,803</u>	<u>50,559</u>

The financial statements of Jupiter Asset Management Limited (registration number 2036243) on pages 9 to 25 were approved by the board of directors on 18 March 2013 and were signed on its behalf by


P M Johnson
Director

The notes on pages 11 to 25 form part of these financial statements

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

a. Accounting convention

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

The Company is a wholly-owned subsidiary of Jupiter Fund Management plc and is included in the consolidated financial statements of Jupiter Fund Management plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

b. Turnover

Investment management fees are recognised in the period in which the service is performed. Management fees are calculated as a percentage of net fund assets managed in accordance with individual management agreements and are paid in accordance with the terms of the agreements. Performance fees are recognised when receivable. Turnover is shown net of any value added tax, rebates and discounts.

c. Distribution costs

Payments made to third parties for ongoing services under distribution agreements are charged to the profit and loss account over the period in which the service is expected to be provided. The services provided include the provision of access to a basket of fund products, information on financial products, promotional materials, ongoing services to customers and transaction processing.

d. Administrative expenses

Administrative expenses are accounted for on an accruals basis and include staff costs, operating costs such as legal and professional fees, advertising, audit fees, computer and printing fees, as well as fees to Group companies for group management services and fund accounting.

e. Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Tangible fixed assets are depreciated on a straight line basis calculated to write off the cost of such assets over their anticipated useful lives. The following depreciation periods are used:

Office and computer equipment	Three years to five years
Leasehold property improvements	Over the shorter of ten years and the remaining period to the first potential lease expiry date

f. Current asset investments

Current asset investments are stated at the lower of cost and net realisable value. The net realisable value for listed investments is the last available quoted price. Unlisted investments are valued by the Directors on the basis of all information, such as the financial position and operating results relating to those investments, that is available to them at the times of the valuation. The profit or loss on disposal of investments reflects the difference between the net sale proceeds and the net carrying amount.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (CONTINUED)

g. Total return swap

The Company holds a total return swap over part of its investment portfolio. Gains or losses on the swap are recognised in the profit and loss account in accordance with the monthly cash settlement terms of the swap contract over the term of the contract. At the balance sheet date, the cash settlement due from or to the counterparty is recorded within current assets or liabilities as appropriate reflecting the month-end realisation.

h. Foreign currencies

Foreign currency transactions are translated at the rates of exchange applicable at the dates of the transactions. Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Revenue and expense items are translated at the average monthly exchange rate during the year. Gains and losses are reflected in the profit and loss account.

i. Pension costs

The Company contributes to a defined contribution pension scheme on behalf of employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

j. Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

k. Taxation

The Company provides for current tax according to United Kingdom tax laws, using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

l. Dividends

Dividend distributions to shareholders are recognised in the period in which they are approved by the Board. Dividends receivable are recognised in the period in which they are received.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (CONTINUED)

m. Investments in Group undertakings

Investments in Group undertakings are stated at cost, unless there has been impairment in value. The carrying amount of the Company's subsidiaries is reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the subsidiaries' recoverable amount is estimated. Losses are recognised in the profit and loss account and reflected in a provision against the carrying value of the subsidiary. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss account.

The difference between the fair value of the employee services received in respect of the shares or share options granted and the price payable is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award, discounted for dividends foregone over the holding period of the award, and is adjusted for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately.

As a minimum, this is adjusted at the end of the relevant scheme. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

n. Share based payments

The Company engages in share-based payment transactions in respect of services receivable from certain employees. The right to acquire either shares or options over shares in Jupiter Fund Management plc, subject to certain vesting conditions, is granted by the ultimate parent company, Jupiter Fund Management plc. These have been accounted for as equity settled share-based payments.

The difference between the fair value of the employee services received in respect of the shares or share options granted and the price payable is recognised as an expense over the appropriate performance and vesting period. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award, and discounted for dividends foregone over the holding period of the award, and is adjusted for expected and actual levels of vesting which includes estimating the number of eligible employees leaving the Group and the number of employees satisfying the relevant performance conditions. These estimates are reviewed regularly and the charge to the income statement is adjusted appropriately.

As a minimum, this is adjusted at the end of the relevant scheme. Shares and options vest on the occurrence of a specified event under the rules of the relevant plan.

o. Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Jupiter Fund Management plc and is included in the publicly available consolidated financial statements of Jupiter Fund Management plc. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 ("Cash Flow Statements" - revised 1996). The Company is also exempt under the terms of FRS 8 ("Related Party Disclosures") from disclosing related party transactions with entities that are part of the Group or investees of the Group.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

2. TURNOVER

Turnover is stated exclusive of value added tax and represents fees receivable in respect of investment management, advisory and administration services, together with client commissions

Turnover and profit before taxation relate to one class of business activity, namely investment management. The Company's revenue is derived from a number of markets

	Turnover (by destination)	
	2012 £'000	2011 £'000
Geographical analysis		
Europe	130,573	117,430
Bermuda	5,828	20,243
Rest of the world	4,351	1,055
	<u>140,752</u>	<u>138,728</u>

Turnover includes management and advisory fees receivable from Group undertakings of £96,178,000 (2011 £107,392,000)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	1,684	1,331
Profit on disposal of fixed assets	(8)	-
Operating lease rentals		
- Land and buildings	2,271	483
Services provided by the Company's auditors		
Fees payable for the audit of the statutory financial statements of the Company	87	80
Fees payable to the auditors of the Company for non-audit related services		
- Audit related assurance services	74	70
- Tax advisory services	73	79
- Other non-audit services	94	103

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

4. SHARE-BASED PAYMENTS

The fair value of shares and options granted during the year to be charged over the vesting period was £15.7m (2011 £13.6m)

A summary of the charge taken to the profit and loss account (excluding social security) for each share-based payment arrangement is shown below

	2012 £'000	2011 £'000
Options over pre-Listing shares	5,235	8,231
Deferred bonus plan ("DBP")	4,575	3,034
Long-term incentive plan ("LTIP")	3,464	1,057
Save as you earn ("SAYE")	368	276
Total	13,642	12,598

The fair value of the services received has been calculated indirectly by reference to the fair value of the equity instruments granted, as the Group has rebutted the presumption that the fair value of services can be estimated reliably. Fair value amounts for the options granted under the DBP, LTIP and SAYE schemes were determined using a Black Scholes option-pricing method and the following assumptions

	2012			2011		
	DBP 2011	LTIP 2012	SAYE 2012	DBP 2010	LTIP 2011	SAYE 2011
Weighted average share price (£)	2.47	2.43	2.52	2.91	2.58	2.06
Exercise price (£)	-	0.02	1.97	-	0.02	1.69
Weighted average expected volatility (%)	35.0	34.4	33.3	48.3	43.8	45.7
Weighted average option life (years)	3.1	4.3	3.4	3.3	4.7	3.9
Weighted average dividend yield (%)	3.2	3.2	3.1	2.3	2.8	3.5
Weighted average risk-free interest rate (%)	0.6	0.8	0.4	1.8	2.2	1.2

Expected volatility for options granted in 2012 has been calculated using the historical volatility of the Group. Expected volatility for options granted in 2011 were calculated using the historical volatility of a comparator group of companies.

Where relevant, assumptions have also been made for the proportion of options not vesting due to performance and service conditions not being met.

The numbers above in relation to the LTIP 2012 include the Joiner Plan as both schemes have a similar structure.

(i) Options over pre-Listing shares

These options were granted to certain employees prior to Listing in June 2010 and allow them to acquire shares at nominal value, subject to satisfying certain vesting and performance conditions. The terms of the options allow individuals to make a payment to the Company entitling them to take up rights to shares between one and five years after the grant date, depending on the individual award. The interests in options under pre-Listing Share Plan were granted at the nominal price of £0.02, which gives them the characteristics of nil cost options, and therefore, the fair value of these awards is based on the market price at the date of the award.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

4. SHARE-BASED PAYMENTS (CONTINUED)

(i) Options over pre-Listing shares (continued)

Options Outstanding	2012		2011	
	Number	WAEP* £	Number	WAEP* £
At 1 January	15,442,278	0.02	16,883,100	0.02
Exercised	(576,328)	0.02	(1,410,822)	0.02
Forfeited	(67,334)	0.02	(30,000)	0.02
At 31 December	14,798,616	0.02	15,442,278	0.02
Exercisable at 31 December	2,015,705		641,067	

* Weighted average exercise price

The weighted average share price at the date of exercise of these options was £2.17 (2011: £2.40) per ordinary share.

No options were granted under this plan in 2012 or 2011. For the options granted in 2010, the weighted average fair value of options granted was £1.50.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2012 is 1.2 years (2011: 1.8 years).

(ii) Deferred Bonus Plan ("DBP")

All employees of the Group who are eligible for a bonus over a certain level, as determined by the Remuneration Committee, are required to participate in the DBP which provides for compulsory deferral of a proportion of bonus into either options over the Company's shares or units in the Group's funds. The awards in respect of this plan are granted after the year end to which they relate. The first year of this award was related to 2010 performance, with the first options granted in April 2011. The awards made in 2012 in relation to 2011 performance were granted in the form of nil cost options over the Company's shares, at a price calculated as the market price immediately prior to the date of the award. Awards will also be made in 2013 in relation to 2012 performance, thus a charge for these awards has been taken to the profit and loss account in 2012.

Options Outstanding	2012		2011	
	Number	WAEP £	Number	WAEP £
At 1 January	2,460,469	-	-	-
Granted	3,210,119	0.00	2,479,037	0.00
Forfeited	-	0.00	(18,565)	0.00
At 31 December	5,670,588	-	2,460,469	-
Exercisable at 31 December	-		-	

The weighted average fair value of options granted under this plan during the year was £2.11 (2011: £2.70).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2012 was 1.9 years (2011: 2.3 years).

(iii) Long-term incentive plan ("LTIP")

All employees are eligible to participate in the LTIP. Awards are made at the discretion of the Remuneration Committee and may be granted in the form of options (either at market value, nominal value or nil-cost), restricted shares or conditional share awards over the Company's shares. The LTIP awards granted in 2012 and 2011 took the form of nominal cost options over the Company's shares.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

4. SHARE-BASED PAYMENTS (CONTINUED)

(iii) Long-term incentive plan ("LTIP") (continued)

	2012		2011	
	Number	WAEP £	Number	WAEP £
Options Outstanding				
At 1 January	3,358,683	-	-	-
Granted	4,499,184	0.02	3,379,701	0.02
Forfeited	-	0.02	(21,018)	0.02
At 31 December	7,857,867	-	3,358,683	-
Exercisable at 31 December	-		-	

The weighted average fair value of options granted under this plan during the year was £2.10 (2011: £2.22)

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2012 was 2.5 years (2011: 3.2 years)

(iv) Sharesave Plan

All eligible UK employees may participate in the Group's Sharesave Plan, which was introduced in 2010. Under the terms of this plan, employees may enter into contracts to save up to £250 per month and, at the expiry of a fixed three or five year term, have the option to use these savings to acquire shares in the Company at a discounted price, calculated under the rules of the plan (currently a 20 per cent discount to the market price at the date of award). Participants in the plan have six months from the date of vesting to exercise their option.

	2012		2011	
	Number	WAEP £	Number	WAEP £
Options Outstanding				
At 1 January	1,390,653	1.86	1,164,528	1.93
Exercised during the year	(2,720)	1.93	(3,960)	1.93
Forfeited/converted to 2011/2012 scheme	(93,207)	1.82	(742,447)	1.93
Granted in the year	135,050	1.97	972,532	1.69
At 31 December	1,429,776	1.78	1,390,653	1.86
Exercisable at 31 December	-		-	

The weighted average fair value of the options granted under this scheme during the year was £0.68 (2011: £0.68)

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2012 was 2.1 years (2011: 3.0 years)

5. EXCEPTIONAL ITEMS

	2012 £'000	2011 £'000
FSCS levy refund	3,108	-

During 2012 the Company recognised exceptional income of £3,108,000, being a partial refund of the 2010 payment of £3,226,000 made by the Group to the Financial Services Compensation Scheme.

There were no items arising in 2011 which the Company considers to be exceptional.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

6. EMPLOYEE INFORMATION

a. Employment costs, including directors	2012 £'000	2011 £'000
Wages and salaries	57,317	56,469
Share based payment charge (note 4)	13,642	12,598
Social security costs	10,522	8,629
Other pension costs	3,667	3,478
	<u>85,148</u>	<u>81,174</u>

b. The average monthly number of persons employed by the Company during the year by activity:	2012 Number	2011 Number
Fund management	69	70
Distribution and marketing	80	73
Infrastructure and operations	274	254
	<u>423</u>	<u>397</u>

Wages and salaries include employee incentive arrangements of £26,148,000 (2011 £26,771,000)

c. Pension arrangements

The Company contributes to a defined contribution pension scheme (the Jupiter Pension Scheme) for the benefit of its employees. The contributions are made at the rate of 15% of gross salary. No liability is included in the balance sheet for payments to the scheme as no obligations were outstanding at the balance sheet date.

7. DIRECTORS' EMOLUMENTS

Certain directors provide services as directors to a number of Group companies and their emoluments are charged accordingly. The figures below represent an apportionment of their emoluments in respect of this Company and its subsidiaries only.

a Directors' emoluments

	2012 £'000	2011 £'000
Aggregate emoluments including bonuses	7,562	25,943
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	1,033	2,338
Compensation for loss of office	30	-
Pension contributions	564	1,758
	<u>9,189</u>	<u>30,039</u>

Pension contributions were made to defined contribution pension schemes during the year on behalf of 10 Directors (2011 50)

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

7. DIRECTORS' EMOLUMENTS (CONTINUED)

Shares in Jupiter Fund Management plc were receivable by 11 Directors under long-term incentive schemes (2011 54). During 2012, no Directors exercised options over the shares of Jupiter Fund Management plc (2011 nine)

Certain directors of the Company are also directors of the ultimate parent company, Jupiter Fund Management plc. Further details in relation to the emoluments they receive as part of their employment by the Jupiter Group are available in the Jupiter Fund Management plc Annual Report.

b. Emoluments of the highest paid director

	2012 £'000	2011 £'000
Emoluments including amounts (excluding shares) receivable under long-term incentive arrangements	2,244	4,494
Pension contributions	31	38
	<u>2,275</u>	<u>4,532</u>

In 2012 and 2011 shares were receivable by the highest paid Director under long-term incentive schemes

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £'000	2011 £'000
Deposit interest	<u>279</u>	<u>498</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
The tax charge is made up as follows:		
Current tax		
UK corporation tax	10,032	10,060
Double tax relief	(7)	(16)
	<u>10,025</u>	<u>10,044</u>
Adjustment in respect of prior years	(93)	181
Overseas tax	30	20
Total current tax	<u>9,962</u>	<u>10,245</u>
Deferred tax		
Origination and reversal of timing differences	(2,602)	(2,980)
Adjustments in respect of prior years	-	570
Effect of tax rate change on opening balance	116	304
	<u>7,476</u>	<u>8,139</u>
Tax on profit on ordinary activities	<u>7,476</u>	<u>8,139</u>

The effective tax for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.5 per cent (2011 26.5 per cent). The differences are explained below:

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2012 £'000	2011 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before taxation	87,261	110,707
UK corporation tax on profit before tax at 24.5 per cent (2011: 26.5 per cent)	21,379	29,337
Effect of:		
Dividends from shares in subsidiary undertakings	(14,210)	(20,538)
Disallowable expenses	1,624	491
Statutory deduction on exercise of share options	(294)	(690)
Group relief (received) without consideration	(1,069)	(1,520)
Overseas tax suffered in excess of UK rate	30	20
Double tax relief	(7)	(16)
Other timing differences	2,602	2,980
Adjustments in respect of prior years	(93)	181
Current tax charge for the year	9,962	10,245

Factors that may affect future tax charge

The average UK corporation tax rate for the year ended 31 December 2012 was 24.5 per cent (2011: 26.5 per cent)

On 1 April 2012, the UK corporation tax rate changed from 26 per cent to 24 per cent. In addition, a number of other changes to the UK corporation tax system was announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 24 per cent to 23 per cent from 1 April 2013 was included in the Finance Act 2012. As a result, the rate at which deferred tax is calculated has changed and deferred tax is measured at 23 per cent or a blended rate of 24 per cent / 23 per cent depending on when the deferred tax is expected to unwind. Consequently within the analysis of the deferred tax charge and the tax reconciliation, there is a separate line item disclosing the impact of the change in tax rate on the opening deferred tax balances.

A further reduction to the main rate is proposed to reduce the rate by two per cent to 21 per cent by 1 April 2014. This further change had not been substantively enacted at the balance sheet date and, therefore, is not included in this financial information. This proposed reduction of the main rate of corporation tax is expected to be enacted by July 2013. The overall effect of the further changes from 24 per cent to 21 per cent, if applied to the deferred tax balance at the balance sheet date, would reduce the deferred tax liability by an additional £719,000.

10. DIVIDENDS

	2012 £'000	2011 £'000
First interim ordinary dividend £1.8421 per share (2011: £4.2105)	35,000	80,000
Second interim ordinary dividend £0.7991 per share (2011: £3.1579)	15,183	60,000
	50,183	140,000

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

11. TANGIBLE FIXED ASSETS

	Leasehold £'000	Office and computer equipment* £'000	Total £'000
Cost:			
At 1 January 2012	427	14,997	15,424
Additions	13	1,572	1,585
Disposals	-	(3)	(3)
At 31 December 2012	440	16,566	17,006
Accumulated depreciation:			
At 1 January 2012	21	11,692	11,713
Charge for the year	190	1,495	1,685
Disposals	-	(3)	(3)
At 31 December 2012	211	13,184	13,395
Net book value:			
At 31 December 2012	229	3,382	3,611
At 31 December 2011	406	3,305	3,711

* Includes Motor Vehicles

12 INVESTMENTS IN GROUP UNDERTAKINGS

The Company's principal operating wholly owned subsidiary is Jupiter Unit Trust Managers Limited, which is incorporated in England and Wales and operates as a unit trust management company. The Company owns 100 per cent of the ordinary shares.

Additionally the Company owns 100 per cent of the ordinary shares of two dormant subsidiaries.

	£'000
Cost	
At 1 January and 31 December 2012	50
Provision for impairment	
At 1 January and 31 December 2012	-
Carrying value at 31 December 2012	50
Carrying value at 31 December 2011	50

The Directors believe that the carrying value of the investment is supported by its underlying net assets.

A full list of subsidiary undertakings will be annexed to the next annual return of Jupiter Asset Management Limited to be filed with the Registrar of Companies.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

13. CURRENT ASSET INVESTMENTS

	2012 £'000	2011 £'000
Listed investments	27,422	-
Aggregate market value of listed investments	29,099	-

The principal current asset investments are disclosed below

Current asset investments	Country of incorporation	Percentage of issued ordinary shares/units held		Principal activities
		At 31 December 2012	At 31 December 2011	
Jupiter Global Emerging Markets Fund	England and Wales	27.7	-	Unit Trust
Merlin Conservative Portfolio	England and Wales	38.8	-	Unit Trust

Investments were purchased from a fellow Group company during 2012

Only investments where the Company has a holding greater than 20 per cent are disclosed

14. DEBTORS

	2012 £'000	2011 £'000
Debtors: amounts falling due within one year		
Trade debtors	365	1,027
Amounts due from Group undertakings	22,240	11,309
Other debtors	4,450	509
Prepayments and accrued income	8,213	6,042
Deferred tax asset	1,549	1,538
	<u>36,817</u>	<u>20,425</u>

Amounts due from Group undertakings were unsecured, interest free and repayable on demand

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value

Other debtors includes an amount of £4,000,000 (2011: £nil) due to the sale of current asset investments awaiting settlement

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

14. DEBTORS (CONTINUED)

	2012 £'000	2011 £'000
Debtors: amounts falling due after more than one year		
Deferred tax asset	6,727	4,252

Deferred tax assets relate to temporary timing differences

	2012 £'000	2011 £'000
Deferred tax asset comprises:		
Capital allowances	138	381
Share based payments	7,430	4,622
Other timing differences	708	787
	<u>8,276</u>	<u>5,790</u>

Reconciliation of deferred tax asset:

	2012 £'000	2011 £'000
Deferred tax asset brought forward	5,790	3,684
Credit to the profit and loss account (note 9)	2,486	2,106
Deferred tax asset carried forward	<u>8,276</u>	<u>5,790</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade Creditors	5,150	-
Amounts due to Group undertakings	456	8,697
Corporation tax	10,027	10,065
Other taxation and social security	11,494	7,576
Other creditors	761	612
Accruals and deferred income	29,407	26,884
	<u>57,295</u>	<u>53,834</u>

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

The Directors consider that the carrying amount of trade payables approximates to their fair value

16. CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Authorised, allotted and fully paid:		
19,000,000 (2011 19,000,000) ordinary shares of £1 each	<u>19,000</u>	<u>19,000</u>

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

17. SHARE PREMIUM ACCOUNT

	2012 £'000	2011 £'000
At 31 December	<u>317</u>	<u>317</u>

18. PROFIT AND LOSS ACCOUNT

	2012 £'000	2011 £'000
At 1 January	<u>30,812</u>	<u>55,859</u>
Profit for the financial year	79,785	102,568
Dividends paid (note 10)	(50,183)	(140,000)
Share based payments	<u>13,642</u>	<u>12,385</u>
At 31 December	<u>74,056</u>	<u>30,812</u>

19. OTHER RESERVE

	2012 £'000	2011 £'000
At 31 December	<u>430</u>	<u>430</u>

The reserve was formed when the Company acquired the assets and business of a fellow subsidiary in 1992

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £'000	2011 £'000
Opening shareholder's funds	<u>50,559</u>	<u>75,606</u>
Profit for the financial year	79,785	102,568
Dividends paid (note 10)	(50,183)	(140,000)
Share based payments	<u>13,642</u>	<u>12,385</u>
	<u>43,244</u>	<u>(25,047)</u>
Closing shareholder's funds	<u>93,803</u>	<u>50,559</u>

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

21 FINANCIAL COMMITMENTS

The annual commitments in respect of operating leases are as follows

	2012 Land and Buildings £'000	2012 Other £'000	2011 Land and Buildings £'000	2011 Other £'000
Expiring within one year	12	-	12	-
Expiring within two to five years	1,884	48	1,884	48
	<u>1,896</u>	<u>48</u>	<u>1,896</u>	<u>48</u>

22. RELATED PARTIES

The Company manages a number of investment trusts and funds. The Company receives a management fee from these entities for managing the assets, and in some instances a performance fee. The fee arrangements for the different entities are disclosed within the financial statements of each entity or within other information which is publicly available.

Total amounts received by way of management fees including rebates were £30,885,000 (2011: £18,363,000). The amounts received for the year relating to performance fees totalled £4,484,000 (2011: £5,136,000).

At 31 December 2012 the Company had a total net investment in collective investment vehicles of £27,422,000 (2011: £nil) and received distributions of £81,000 (2011: £nil). During 2012, it invested £39,800,000 (2011: £nil) in seed capital investments and received £13,500,000 (2011: £nil) on disposal of them.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Jupiter Investment Management Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Jupiter Fund Management plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the consolidated financial statements for Jupiter Fund Management plc can be obtained from the Company Secretary at 1 Grosvenor Place, London SW1X 7JJ.