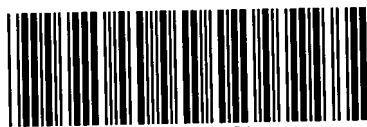


COMPANY REGISTRATION NUMBER: 2036243

**JUPITER ASSET MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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JUPITER ASSET MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors present their Strategic Report of Jupiter Asset Management Limited (the “Company”) for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company as investment manager for a variety of investment products is authorised and regulated by the Financial Conduct 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 a branch office in Sweden and two branch offices in Germany.

As of 1 January 2014, the Company transferred its Switzerland branch activities to Jupiter Asset Management (Switzerland) AG, a direct subsidiary of Jupiter Investment Management Group Limited.

REVIEW OF THE BUSINESS

Results and key performance indicators

Against a background of challenging markets, operating profit before exceptional items increased by 74.6% to £43,014,000 (2012: £24,638,000) due to increased management fees and advisory fees receivable.

Dividends received from the Company’s principal subsidiary in the year amounted to £69,500,000 (2012: £58,000,000). The profit for the financial year was £105,191,000 (2012: £79,785,000).

During the year dividends of £131,000,000 were paid (2012: £50,183,000). No final dividend is proposed (2012: £Nil).

At 31 December 2013, the Company had net assets of £81,744,000 (2012: £93,803,000). 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 ‘Strategic Report’ section of the Group’s Annual Report which does not form part of this report. Copies of the annual report are available from the following website, www.jupiteronline.com.

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.

JUPITER ASSET MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Exceptional Items

During 2013 the Company did not recognise any exceptional income. 2012 exceptional income of £3,108,000 was recognised, being a partial refund of the 2010 payment of £3,226,000 made by the Company to the Financial Services Compensation Scheme.

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.

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.

BY ORDER OF THE BOARD



F Pengelly
For and on behalf of Jupiter Asset Management Limited
Company Secretary
1 Grosvenor Place
London SW1X 7JJ
12 March 2014

JUPITER ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors present their report and audited financial statements of Jupiter Asset Management Limited (the "Company") for the year ended 31 December 2013.

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.

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 disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide 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 Chatfeild-Roberts	P M Johnson
R J C Corfield	K Marsden
C L Crawford (Resigned 18 September 2013)	A G Nutt (Resigned 10 July 2013)
A J Creedy	R V Parker
M F Slendebroek	A P Clark (Appointed 23 July 2013)
S B Pearson (Appointed 31 October 2013)	

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.

FUTURE DEVELOPMENTS

Refer to Strategic Report for details of future development.

DIVIDENDS

Refer to Strategic Report for details on dividends.

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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRANCHES

The Company has a branch office in Sweden and two branch offices in Germany.

As of 1 January 2014, the Company transferred its Switzerland branch activities to Jupiter Asset Management (Switzerland) AG, a direct subsidiary of Jupiter Investment Management Group Limited.

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.

GOING CONCERN

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

INDEPENDENT AUDITORS

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

BY ORDER OF THE BOARD



F Pengelly
For and on behalf of Jupiter Asset Management Limited
Company Secretary
1 Grosvenor Place
London SW1X 7JJ
12 March 2014

JUPITER ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER ASSET MANAGEMENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Jupiter Asset Management Limited, comprise:

- the Balance Sheet as at 31 December 2013;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER ASSET MANAGEMENT
LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2013**

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

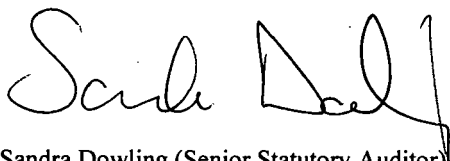
Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 March 2014

JUPITER ASSET MANAGEMENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £'000	2012 £'000
Turnover	2	166,904	140,752
Distribution costs		(1,449)	(3,651)
Administrative expenses		(122,441)	(109,962)
Other operating income		-	-
Expense on derivatives		-	(2,501)
Operating profit before exceptional items		43,014	24,638
Exceptional items	5	-	3,108
Operating profit		43,014	27,746
Profit on investments		449	1,236
Income from shares in Group undertaking		69,500	58,000
Interest receivable and similar income	8	283	279
Profit on ordinary activities before taxation	3	113,246	87,261
Tax on profit on ordinary activities	9	(8,055)	(7,476)
Profit for the financial year	18	105,191	79,785

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 26 form part of these financial statements.

JUPITER ASSET MANAGEMENT LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible fixed assets	11	4,780	3,611
Investments in Group undertakings	12	<u>50</u>	<u>50</u>
		<u>4,830</u>	<u>3,661</u>
CURRENT ASSETS			
Investments	13	23,982	27,422
Debtors: amounts falling due within one year	14	20,148	36,817
Debtors: amounts falling due after more than one year	14	4,197	6,727
Cash at bank and in hand		<u>99,013</u>	<u>76,471</u>
		<u>147,340</u>	<u>147,437</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(70,426)</u>	<u>(57,295)</u>
NET CURRENT ASSETS		<u>76,914</u>	<u>90,142</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>81,744</u>	<u>93,803</u>
NET ASSETS		<u>81,744</u>	<u>93,803</u>
CAPITAL AND RESERVES			
Called up share capital	16	19,000	19,000
Share premium account	17	317	317
Profit and loss account	18	61,997	74,056
Other reserve	19	<u>430</u>	<u>430</u>
TOTAL SHAREHOLDER'S FUNDS	20	<u>81,744</u>	<u>93,803</u>

The financial statements of Jupiter Asset Management Limited (registration number 2036243) on pages 9 to 26 were approved by the board of directors on 12 March 2014 and were signed on its behalf by:


P M Johnson
Director

The notes on pages 11 to 26 form part of these financial statements.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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.

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.

p. Fund Units

Where bonuses are deferred into fund units, the fair value of the award is spread over the vesting period and included within staff costs. The liability is revalued at each balance sheet date to the expected settlement amount and is therefore based on the current market value of the underlying fund unit. Any increase or decrease in value is recognised in the income statement within staff costs. The liability is included in the balance sheet as part of accruals and deferred income within creditors (see Note 15). The company hedges its exposure to price fluctuations in the underlying fund units, by purchasing the fund units at the date of grant. These are included within Financial assets at FVTPL on the balance sheet. Any change in the fair value of the units is recognised in the income statement within other gains/(losses).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

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	
	2013 £'000	2012 £'000
Geographical analysis		
Europe	161,276	130,573
Bermuda	-	5,828
Rest of the world	5,628	4,351
	<u>166,904</u>	<u>140,752</u>

Turnover includes management and advisory fees receivable from Group undertakings of £108,748,000 (2012: £96,178,000).

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	1,802	1,684
Profit on disposal of fixed assets	-	(8)
Operating lease rentals:		
- Land and buildings	1,628	2,271
Services provided by the Company's auditors:		
Fees payable for the audit of the statutory financial statements of the Company	112	87
Fees payable to the auditors of the Company for non-audit related services:		
- Audit related assurance services	78	74
- Tax advisory services	30	73
- Other non-audit services	211	94

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

4. SHARE-BASED PAYMENTS

The fair value of shares and options granted during the year to be charged over the vesting period was £12.9m (2012: £15.7m).

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

	2013 £'000	2012 £'000
Options over pre-Listing shares	2,123	5,235
Deferred bonus plan ("DBP")	4,813	4,575
Long-term incentive plan ("LTIP")	6,277	3,464
Save as you earn ("SAYE")	312	368
Share incentive plan ("SIP")	225	-
Total	13,750	13,642

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:

	2013			2012		
	DBP 2012	LTIP 2013	SAYE 2013	DBP 2011	LTIP 2012	SAYE 2012
Weighted average share price (£)	3.28	3.34	3.64	2.47	2.43	2.52
Exercise price (£)	-	0.02	2.91	-	0.02	1.97
Weighted average expected volatility (%)	32.3	32.4	32.3	35.0	34.4	33.3
Weighted average option life (years)	3.1	4.2	3.6	3.1	4.3	3.4
Weighted average dividend yield (%)	2.7	2.7	2.7	3.2	3.2	3.1
Weighted average risk-free interest rate (%)	0.3	0.8	1.1	0.6	0.8	0.4

Expected volatility for options granted in 2013 has been calculated using the historical volatility of the Group.

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 include the Joiner Plan as both schemes have a similar structure.

(i) Interests in options under pre-Listing share plan

These options were granted to certain employees prior to JFM plc's Listing in June 2010 and allowed 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

4. SHARE-BASED PAYMENTS (CONTINUED)

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

Options Outstanding	2013		2012	
	Number	WAEP* £	Number	WAEP* £
At 1 January	14,798,616	0.02	15,442,278	0.02
Exercised	(4,514,629)	0.02	(576,328)	0.02
Forfeited	(604,483)	0.02	(67,334)	0.02
At 31 December	9,679,504	0.02	14,798,616	0.02
Exercisable at 31 December	1,377,168	0.02	2,015,705	0.02

* Weighted average exercise price

The weighted average share price at the date of exercise of these options was £3.29 (2012: £2.17) per ordinary share.

No options were granted under this plan in 2013 or 2012. For the options granted in 2010, the weighted average fair value of options granted was £1.48.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2013 is 0.6 years (2012: 1.2 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 JFM plc'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 2013 in relation to 2012 performance were granted in the form of nil cost options over JFM plc's shares, at a price calculated as the market price immediately prior to the date of the award. Awards will also be made in 2014 in relation to 2013 performance, thus a charge for these awards has been taken to the profit and loss account in 2013.

Options Outstanding	2013		2012	
	Number	WAEP £	Number	WAEP £
At 1 January	5,670,588	-	2,460,469	-
Granted	1,312,514	-	3,210,119	-
Forfeited	(87,054)	-	-	-
At 31 December	6,896,048	-	5,670,588	-
Exercisable at 31 December	-	-	-	-

The weighted average fair value of options granted under this plan during the year was £2.83 (2012: £2.11).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.2 years (2012: 1.9 years).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

(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 JFM plc's shares. The LTIP awards granted in 2013 and 2012 took the form of nominal cost options over the JFM plc's shares.

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options Outstanding				
At 1 January	7,857,867	-	3,358,683	-
Granted	3,218,934	0.02	4,499,184	0.02
Forfeited	(798,323)	0.02	-	0.02
At 31 December	10,278,478	0.02	7,857,867	0.02
Exercisable at 31 December	-	-	-	-

The weighted average fair value of options granted under this plan during the year was £2.74 (2012: £2.10).

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.8 years (2012: 2.5 years).

(iv) Sharesave Plan

All eligible UK employees may participate in JFM plc'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 JFM plc 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.

	2013		2012	
	Number	WAEP £	Number	WAEP £
Options Outstanding				
At 1 January	1,429,776	1.78	1,390,653	1.86
Granted	301,023	2.91	(2,720)	1.93
Exercised	(264,996)	1.93	(93,207)	1.82
Forfeited	(90,406)	1.81	135,050	1.97
At 31 December	1,375,397	2.00	1,429,776	1.78
Exercisable at 31 December	27,978	1.93	-	-

The weighted average share price at the date of exercise of these options was £3.88 (2012: £2.76) per ordinary share.

The weighted average fair value of the options granted under this scheme during the year was £1.01 (2012: £0.68).

The range of exercise prices of options granted under this scheme is between £1.69 and £2.91.

The weighted average remaining contractual life of the share options outstanding under this plan at 31 December 2013 was 1.8 years (2012: 2.1 years).

(v) Share Incentive Plan (SIP)

All eligible UK employees may participate in JFM plc's Share Incentive Plan, which was introduced in 2013. Under the terms of this plan, employees may contribute up to £1,500 in any tax year from pre-tax salary to be used to acquire shares in JFM plc at the market price on the relevant date. Matching shares are then awarded by JFM plc on a one matching share for each share purchased basis. The matching shares are subject to forfeiture where the employee

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

leaves employment with the Group within three years of their award. The number of matching shares purchased under this scheme during the year was 62,476 (2012: nil).

5. EXCEPTIONAL ITEMS

	2013 £'000	2012 £'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 2013 which the Company considers to be exceptional.

6. EMPLOYEE INFORMATION

a. Employment costs, including directors	2013 £'000	2012 £'000
Wages and salaries	63,784	57,317
Share based payment charge (note 4)	13,750	13,642
Social security costs	12,930	10,522
Other pension costs	3,919	3,667
	<u>94,383</u>	<u>85,148</u>

Fund Units

As described in Note 4(ii), deferred bonuses can be deferred into either options over the Company's shares or a cash equivalent to units in the companies funds. The expense included within the Profit & Loss statement in relation to fund units for the year ended 31 December 2013 was £2.0m (2012: £nil).

b. The average monthly number of persons employed by the Company during the year by activity:	2013 Number	2012 Number
Fund management	72	69
Distribution and marketing	87	80
Infrastructure and operations	293	274
	<u>452</u>	<u>423</u>

Wages and salaries include employee incentive arrangements of £29,611,000 (2012: £26,148,000)

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.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7. DIRECTORS' EMOLUMENTS

Certain directors provide services as directors to a number of the 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

	2013 £'000	2012 £'000
Aggregate emoluments including bonuses	7,856	7,562
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	-	1,033
Compensation for loss of office	-	30
Pension contributions	251	564
	<u>8,107</u>	<u>9,189</u>

Pension contributions were made to defined contribution pension schemes during the year on behalf of 10 Directors (2012: 10).

Shares in Jupiter Fund Management plc were receivable by 13 Directors under long-term incentive schemes (2012: 11). During 2013, three Directors exercised options over the shares of Jupiter Fund Management plc (2012: none).

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

	2013 £'000	2012 £'000
Emoluments including amounts (excluding shares) receivable under long-term incentive arrangements	1,653	2,244
Pension contributions	31	31
	<u>1,684</u>	<u>2,275</u>

In 2013 and 2012 shares were receivable by the highest paid Director under long-term incentive schemes.

In 2013 the highest paid director exercised options over the shares of Jupiter Fund Management PLC (2012: None)

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £'000	2012 £'000
Deposit interest	<u>283</u>	<u>279</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £'000	2012 £'000
The tax charge is made up as follows:		
Current tax		
UK corporation tax	8,804	10,032
Double tax relief	(35)	(7)
	<u>8,769</u>	<u>10,025</u>
Adjustment in respect of prior years	(458)	(93)
Overseas tax	131	30
Total current tax	<u>8,442</u>	<u>9,962</u>
Deferred tax		
Origination and reversal of timing differences	(1,390)	(2,602)
Adjustments in respect of prior years	91	-
Effect of tax rate change on opening balance	912	116
	<u>8,055</u>	<u>7,476</u>
Tax on profit on ordinary activities	<u>8,055</u>	<u>7,476</u>

The tax assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25 per cent. (2012: 24.5 per cent.). The differences are explained below:

	2013 £'000	2012 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before taxation	<u>113,246</u>	<u>87,261</u>
UK corporation tax on profit before tax at 23.25 per cent. (2012: 24.5 per cent.)	26,330	21,379
Effect of:		
Dividends from shares in subsidiary undertakings	(16,159)	(14,210)
Expenses not deductible for tax purposes	166	1,624
Statutory deduction on exercise of share options	(1,989)	(294)
Group relief (received) without consideration	(912)	(1,069)
Overseas tax suffered in excess of UK rate	131	30
Double tax relief	(35)	(7)
Timing differences in respect of share options	1,605	2,900
Other timing differences	(237)	(298)
Adjustments in respect of prior years	(458)	(93)
	<u>8,442</u>	<u>9,962</u>
Current tax charge for the year	<u>8,442</u>	<u>9,962</u>

Factors that may affect future tax charge

With effect from 1 April 2013, the UK corporation tax rate changed from 24 per cent. to 23 per cent. The weighted average UK corporation tax rate for the year ended 31 December 2013 was therefore 23.25 per cent. (2012: 24.5 per cent.).

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

A number of other changes to the UK corporation tax system were announced in 2013 and have been substantively enacted. These include a reduction in the main rate of corporation tax to 21 per cent. from 1 April 2014 and to 20 per cent. from 1 April 2015.

10. DIVIDENDS

	2013 £'000	2012 £'000
First interim ordinary dividend £4.3158 per share (2012: £1.8421)	82,000	35,000
Second interim ordinary dividend £2.5789 per share (2012: £0.7991)	49,000	15,183
	<u>131,000</u>	<u>50,183</u>

11. TANGIBLE FIXED ASSETS

	Leasehold/ property improvements £'000	Office and computer equipment* £'000	Total £'000
Cost:			
At 1 January 2013	440	16,566	17,006
Additions	53	2,918	2,971
Disposals	-	-	-
At 31 December 2013	<u>493</u>	<u>19,484</u>	<u>19,977</u>
Accumulated depreciation:			
At 1 January 2013	211	13,184	13,395
Charge for the year	149	1,653	1,802
Disposals	-	-	-
At 31 December 2013	<u>360</u>	<u>14,837</u>	<u>15,197</u>
Net book value:			
At 31 December 2013	<u>133</u>	<u>4,647</u>	<u>4,780</u>
At 31 December 2012	<u>229</u>	<u>3,382</u>	<u>3,611</u>

* Includes Motor Vehicles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013	<u>50</u>
Provision for impairment	
At 1 January and 31 December 2013	<u>-</u>
Carrying value at 31 December 2013	<u>50</u>
Carrying value at 31 December 2012	<u>50</u>

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.

13. CURRENT ASSET INVESTMENTS

	2013 £'000	2012 £'000
Listed investments	<u>23,982</u>	<u>27,422</u>
Aggregate market value of listed investments	<u>26,932</u>	<u>29,099</u>

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 2013	At 31 December 2012	
Jupiter Global Emerging Markets Fund	England and Wales	33.0	27.7	Unit Trust
Merlin Conservative Portfolio	England and Wales	12.1	38.8	Unit Trust
Jupiter Global Fund SICAV North American Equities	Luxemburg	41.1	6.5	Sub-Portfolio

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.

JUPITER ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. DEBTORS

	2013 £'000	2012 £'000
Debtors: amounts falling due within one year		
Trade debtors	3,102	365
Amounts owed by Group undertakings	582	22,240
Other debtors	535	4,450
Prepayments and accrued income	11,463	8,213
Deferred tax asset	4,466	1,549
	<u>20,148</u>	<u>36,817</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 £535,000 (2012: £4,000,000 due to the sale of current asset investments awaiting settlement).

	2013 £'000	2012 £'000
Debtors: amounts falling due after more than one year		
Deferred tax asset	<u>4,197</u>	<u>6,727</u>

Deferred tax assets relate to temporary timing differences.

	2013 £'000	2012 £'000
Deferred tax asset comprises:		
Capital allowances	400	138
Share based payments	7,556	7,430
Other timing differences	707	708
	<u>8,663</u>	<u>8,276</u>

Reconciliation of deferred tax asset:

	2013 £'000
Deferred tax asset brought forward	8,276
Credit to the profit and loss account (note 9)	<u>387</u>
Deferred tax asset carried forward	<u>8,663</u>

JUPITER ASSET MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013****15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £'000	2012 £'000
Trade Creditors	5,716	5,150
Amounts due to Group undertakings	4,021	456
Corporation tax	8,376	10,027
Other taxation and social security	15,657	11,494
Other creditors	-	761
Accruals and deferred income	36,656	29,407
	<u>70,426</u>	<u>57,295</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

	2013 £'000	2012 £'000
Authorised, allotted and fully paid:		
19,000,000 (2012: 19,000,000) ordinary shares of £1.00 each	<u>19,000</u>	<u>19,000</u>

17. SHARE PREMIUM ACCOUNT

	2013 £'000	2012 £'000
At 31 December	<u>317</u>	<u>317</u>

18. PROFIT AND LOSS ACCOUNT

	2013 £'000	2012 £'000
At 1 January	<u>74,056</u>	<u>30,812</u>
Profit for the financial year	105,191	79,785
Dividends paid (note 10)	(131,000)	(50,183)
Share based payments	<u>13,750</u>	<u>13,642</u>
At 31 December	<u>61,997</u>	<u>74,056</u>

19. OTHER RESERVE

	2013 £'000	2012 £'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.

JUPITER ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £'000	2012 £'000
Opening shareholder's funds	93,803	50,559
Profit for the financial year	105,191	79,785
Dividends paid (note 10)	(131,000)	(50,183)
Share based payments	13,750	13,642
	(12,059)	43,244
Closing shareholder's funds	81,744	93,803

21. FINANCIAL COMMITMENTS

The annual commitments in respect of operating leases are as follows:

	2013 Land and Buildings £'000	2013 Other £'000	2012 Land and Buildings £'000	2012 Other £'000
Expiring within one year	39	-	12	-
Expiring within two to five years	911	130	1,884	48
	950	130	1,896	48

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 £42,179,000 (2012: £30,885,000). The amounts received for the year relating to performance fees totalled £5,494,000 (2012: £4,484,000).

At 31 December 2013 the Company had a total net investment in collective investment vehicles of £23,982,000 (2012: £27,422,000) and received distributions of £5,463 (2012: £81,000). During 2013, it invested £2,683,000 (2012: £39,800,000) in seed capital investments and received £6,764,000 (2012: £13,500,000) on disposal of them.

23. PILLAR 3 DISCLOSURE

Please refer to www.jupiteronline.com/en-GB/Jupiter-Fund-Management-plc/Governance/Risk-management for Pillar 3 Disclosures.

24. 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.