

JUPITER ASSET MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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COMPANIES HOUSE

COMPANY REGISTRATION NUMBER

2036243

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

COMPANY INFORMATION

DIRECTORS

A M Bezalel	P T Lawery
E H Bonham Carter	K Marsden
K Booth	I J McVeigh
S J Boyd	P C Matthews
O I M Burns (appointed 6 March 2009)	M J E Millar (appointed 2 October 2009)
J H D Carey	R A Mumby
V A Cazalet	A G Nutt
J H Chatfeild-Roberts	R V Parker
C Chisholm	R N G Pavry
R J C Corfield	S B Pearson
C L Crawford	O Pearson-Lund (appointed 6 March 2009)
A J Creedy	L G Petar
W H Crewdson	J C Phillips
C D Crole	S E Radcliffe
R Curling	C M E de Riols de Fonclare
A F C Darwall	K R Scott
P R Ehrmann	E V Shaftan
P Fegelman (resigned 16 September 2009)	P A Sheehan (resigned 7 October 2009)
P A Forecast (appointed 6 March 2009)	E A J Smith-Maxwell
P M Gent (appointed 6 March 2009)	S C N Somerville
M Guenzl	J C Stevenson (resigned 31 December 2009)
J Hamilton	B C P Surtees (appointed 2 October 2009)
P Harrington (appointed 25 March 2009)	C L W Thomas
T P A Hillgarth	A Vazirani
N J R Hinds (resigned 14 July 2009)	R G Walker (appointed 6 March 2009)
R T Hogg	B C Whitmore
C G Horsford	T B C H Woods
E Howard Boyd	M M Wotherspoon
P M Johnson (appointed 21 October 2009)	

COMPANY SECRETARY & REGISTERED OFFICE

Jupiter Administration Services Limited
1 Grosvenor Place
London SW1X 7JJ

BANKERS

The Royal Bank of Scotland plc
2½ Devonshire Square
London EC2M 4XJ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

DIRECTORS' REPORT

The directors present their report and financial statements of Jupiter Asset Management Limited (the "company") for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The company continues to act as an investment manager and is authorised and regulated by the Financial Services Authority. No significant change in the business of the company is envisaged at present.

The company operates across a range of asset management products. It acts as investment manager to investment trust companies, institutional funds and private clients and as investment advisor to unit trusts, hedge funds and other specialist funds.

The company is a subsidiary of Jupiter Investment Management Holdings Limited and is therefore part of a group of investment management companies collectively known as the "Jupiter group".

The company has one overseas branch in Germany.

BUSINESS REVIEW

Operating Results and Key Performance Indicators

Against a strong market background of rising asset prices, which has a direct impact on the company's fee income from assets under management (AUM), operating profit increased by 20.1% to £25,715,000 (2008: £21,407,000). Over the year, total assets under management increased by 33% to £18.72 billion (2008: £14.08 billion). Dividends received from the company's principal subsidiary in the year amounted to £54,000,000 (2008: £25,000,000). The profit for the year was £75,177,000 (2008: £48,056,000).

During the year dividends of £67,500,000 were paid (2008: £27,500,000). No final dividend is proposed (2008: £nil).

Future Prospects

At 31 December 2009, the company had net assets of £82,754,000 (2008: £74,954,000). The directors are confident of the company's medium term prospects.

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 we operate. The industry is highly regulated and change in laws and regulations governing the industry could have an adverse effect on the company.

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

DIRECTORS' REPORT (continued)

Financial Risk Management

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

The company's operations expose it to a variety of financial risks including market price risk, 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.

Market price risk

Market price risk affects the value of the assets under management on which investment management and advisory fees and hence profits are earned. The company gains some protection through diversification within the range of products it offers but does not normally seek to hedge this risk.

Foreign Exchange Risk

The company earns fees in foreign currencies from several overseas clients. The company's policy is to hold only a minimum of currency to cover operational needs and therefore to convert 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. A Treasury Committee monitors the group's interest rate cash flow risks and returns.

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 Treasury Committee. The Treasury Committee monitors the company's counterparty exposures.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements are shown on page 2.

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. In addition, during the year the company has maintained liability insurance for directors.

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 company has no trade creditors.

DIRECTORS' REPORT (continued)

EMPLOYEES

Employee involvement

The Jupiter group runs several committees aimed at increasing the involvement of employees in the company's affairs. All staff are kept informed of business developments by periodic meetings and circulars and are encouraged to contribute through an employee suggestion scheme. Employees are able to participate in the group's performance through a share scheme and bonus scheme.

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.

ENVIRONMENTAL POLICY

The Jupiter group is recognised as a leader in the field of socially responsible investment and believes that environmental responsibility and commercial successes are compatible.

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 elected to prepare 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 UK 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.

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

DIRECTORS' REPORT (continued)

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

BY ORDER OF THE BOARD



Jupiter Administration Services Limited
Company secretary
27 April 2010

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUPITER ASSET MANAGEMENT LIMITED**

We have audited the financial statements of Jupiter Asset Management Limited for the year ended 31 December 2009 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK 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.

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 2009 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.

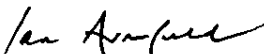
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Ian Armfield (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2010

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £'000	2008 £'000
Turnover	2	88,470	97,497
Administrative expenses		(63,224)	(77,003)
Other operating income		468	913
Operating profit		25,714	21,407
Dividends received from shares in subsidiary undertaking		54,000	25,000
Interest receivable and similar income	6	551	3,848
Profit on ordinary activities before taxation	3	80,265	50,255
Tax on profit on ordinary activities	7	(5,088)	(2,199)
Profit for the financial year	17	75,177	48,056

The company registration number is 2036243

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents in either year

All items dealt with in arriving at operating profit for 2009 and 2008 relate to continuing activities

There are no recognised gains and losses for 2009 and 2008 other than the profit for the financial year of £75,177,000 (2008 £48,056,000)


The notes on pages 10 to 21 form part of these financial statements

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
FIXED ASSETS			
Intangible assets	9	-	19
Tangible assets	10	2,954	3,623
Investment in subsidiary undertakings	11	50	313
		<u>3,004</u>	<u>3,955</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	12	14,726	13,561
Debtors amounts falling due after more than one year	12	794	1,533
Cash and short term deposits	13	96,649	93,531
		<u>112,169</u>	<u>108,625</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(32,419)</u>	<u>(37,190)</u>
NET CURRENT ASSETS		<u>79,750</u>	<u>71,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>82,754</u>	<u>75,390</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>-</u>	<u>(436)</u>
NET ASSETS		<u>82,754</u>	<u>74,954</u>
CAPITAL AND RESERVES			
Called up share capital	16	19,000	19,000
Share premium account		317	317
Profit and loss account	17	63,007	55,207
Other reserves		430	430
TOTAL SHAREHOLDERS' FUNDS	18	<u>82,754</u>	<u>74,954</u>

The financial statements on pages 8 to 21 were approved by the board of directors on 27 April 2010 and were signed on its behalf by


P M Johnson
Director

The notes on pages 10 to 21 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. Accounting convention

These financial statements have been prepared on the 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.

b. Income recognition

Investment management fees are accrued as earned. Management fees are calculated on the basis 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.

c. Intangible fixed assets

Intangible fixed assets are capitalised and amortised over the period during which economic benefits are expected to accrue from the asset. Amortisation is charged on a straight line basis over a maximum period of 20 years, being the directors' assessment of the useful economic lives of such assets. In respect of management contracts acquired in 2002, this was assessed as seven years. In respect of management contracts acquired in 2005, this was assessed as fifty two months.

d. 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:

Motor vehicles	Four years
Furniture & Office and Computer equipment	Three years to five years

e. 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. Gains and losses are reflected in the profit and loss account.

f. Taxation

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, or by another company in the Jupiter group whose taxable profits would be available for offset under group relief rules, from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

f. Taxation (continued)

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.

g. Pension costs

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

h. 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.

i. Dividends

Dividend distributions to shareholders are recognised in the period in which they are paid or approved by the company's shareholders.

j. Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost, unless there has been an impairment in value.

k. Cash flow statement and related party disclosures

The company is a subsidiary of Jupiter Investment Management Holdings Limited and is included in the consolidated financial statements of Jupiter Investment Management Holdings Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Jupiter Investment Management Holdings Limited group or investees of the Jupiter Investment Management Holdings Limited group.

l. Share based payments

The group operates an employee share plan, which allows employees to acquire B ordinary shares of the ultimate parent company, Jupiter Investment Management Holdings Limited, or options to acquire such shares. The excess of the fair value of the shares over the subscription cost to the employee is recognised as an employee expense, which is matched by a corresponding increase in equity. The fair value of the shares is measured at the award date and the charge is spread on a straight line basis over the vesting period.

Jupiter Asset Management Limited
Directors' report and financial statements for the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. TURNOVER

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

Turnover and profit before taxation relate to one class of business activity, namely investment management. In the opinion of the directors it is neither practicable nor in the best interest of the company to analyse turnover and attributable profits between earnings from UK and overseas clients. Segment information is provided in the financial statements of Jupiter Investment Management Holdings Limited.

Turnover includes management and advisory fees receivable from group undertakings of £67,958,000 (2008 £68,698,000)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting).		
Amortisation of intangible assets	19	41
Depreciation of tangible fixed assets	1,244	1,350
Profit on disposal of tangible fixed assets	(3)	(45)
Services provided by the company's auditors		
Fees payable for the audit of the statutory financial statements of the company	37	37
Redundancy and other non-recurring costs arising from implementation of a cost reduction programme	1,067	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. EMPLOYEE INFORMATION

a. Employment costs, including directors

	2009 £'000	2008 £'000
Wages and salaries	30,908	42,423
Share based payment charge (note 20)	123	9
Social security costs	4,195	4,930
Other pension costs	2,400	2,195
	<u>37,626</u>	<u>49,557</u>

	2009	2008
b The average monthly number of persons employed by the company during the year, including executive directors, by activity.		
Investment management, analysis and dealing	85	76
Sales and marketing	49	49
Administration, IT and customer service	104	102
Compliance and operational risk	21	23
	<u>259</u>	<u>250</u>

Wages and salaries include employee incentive arrangements of £12,212,000 (2008 £24,968,000)
Redundancy and other non-recurring costs stated in Note 3 are not included in wages and salaries

c. Pension arrangements

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

5. DIRECTORS' EMOLUMENTS

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

a. Directors' emoluments

	2009 £'000	2008 £'000
Aggregate emoluments including bonuses	19,238	26,676
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	7,384	7,198
Compensation for loss of office	-	-
Pension contributions	1,374	856
	<u>27,996</u>	<u>34,730</u>

Jupiter Asset Management Limited
 Directors' report and financial statements for the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 DIRECTORS' EMOLUMENTS (continued)

Pension contributions were made to defined contribution pension schemes during the year on behalf of forty-one directors (2008 forty-one)

b Emoluments of the highest paid director

	2009 £'000	2008 £'000
Emoluments including amounts (excluding shares) receivable under long-term incentive arrangements	2,187	4,701
Pension contributions	-	-
	<u>2,187</u>	<u>4,701</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £'000	2008 £'000
Deposit interest	<u>551</u>	<u>3,848</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
The tax charge is made up as follows:		
Current tax		
UK corporation tax on profits for the year	11	149
Double tax relief	(11)	(12)
	-	137
Adjustment in respect of prior year	(137)	-
Overseas tax	8	18
Total current tax charge	(129)	155
Deferred tax		
Origination and reversal of timing differences	5,217	2,044
Tax on profit on ordinary activities	5,088	2,199

The tax for the period is lower (2008 lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before taxation	80,266	50,255
Effect of:		
UK Corporation tax on profit before tax at 28% (2008 28.5%)	22,474	14,323
Dividends from shares in subsidiary undertakings	(15,120)	(7,125)
Amortisation of intangible assets	-	5
Non-deductible expenses	149	141
Statutory deduction for employee share issues	-	(46)
Group relief (received) / surrendered for no consideration	(2,886)	(6,906)
Overseas tax suffered in excess of UK rate	3	4
Double tax relief	(11)	(12)
Overseas tax	8	18
Movement in timing differences	(4,609)	(247)
Adjustments in respect of prior years	(137)	-
Total current tax charge	(129)	155

The standard rate of UK corporation tax changed to 28% with effect from 1 April 2008. There are no losses available to carry forward against future profits.

Jupiter Asset Management Limited
 Directors' report and financial statements for the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DIVIDENDS

	2009 £'000	2008 £'000
First interim ordinary dividend £1 0000 per share (2008 £0 2105)	19,000	4,000
Second interim ordinary dividend £1 8421 per share (2008 £0 4474)	35,000	8,500
Third interim ordinary dividend £0 7105 per share (2008 £0 7895)	13,500	15,000
	<u>67,500</u>	<u>27,500</u>

9. INTANGIBLE ASSETS

	2009 £'000
Cost	
At beginning and end of year	<u>226</u>
Accumulated amortisation	
At beginning of year	207
Amortisation for the year	<u>19</u>
At end of year	<u>226</u>
Net book amount:	
At 31 December 2009	-
At 31 December 2008	<u>19</u>

Intangible assets relate to the acquisition of management contracts in respect of clients acquired from Lazard Asset Management Limited and Martin Currie Enhanced Income Trust

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. TANGIBLE ASSETS

	Furniture £'000	Office and Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost:				
At beginning of year	8	11,583	339	11,930
Additions	-	676	-	676
Disposals	-	-	(339)	(339)
At end of year	<u>8</u>	<u>12,259</u>	<u>-</u>	<u>12,267</u>
Depreciation:				
At beginning of year	8	8,072	227	8,307
Charge for the year	-	1,233	11	1,244
Disposals	-	-	(238)	(238)
At end of year	<u>8</u>	<u>9,305</u>	<u>-</u>	<u>9,313</u>
Net book value:				
At 31 December 2009	<u>-</u>	<u>2,954</u>	<u>-</u>	<u>2,954</u>
At 31 December 2008	<u>-</u>	<u>3,511</u>	<u>112</u>	<u>3,623</u>

11 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The 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% of the ordinary shares.

Additionally the company owns 100% of the ordinary shares of Knightsbridge Asset Management, another group company, which is incorporated in England and Wales and keeps minimal activity. During the year an intercompany loan of £263,000 was forgiven and accordingly the cost of this investment has been reduced by the amount forgiven.

The basis on which the fixed asset investments are stated in these financial statements is detailed in note 1(j). In the opinion of the directors, the investment in subsidiary undertakings is worth not less than the carrying value of £50,000 at 31 December 2009 (2008: £313,000).

	£'000
Cost	
At 1 January 2009	313
Amount forgiven	(263)
At 31 December 2009	<u>50</u>
Provisions	
At 1 January and 31 December 2009	<u>-</u>
Carrying value at 31 December 2009	<u>50</u>
Carrying value at 31 December 2008	<u>313</u>

Jupiter Asset Management Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. DEBTORS

	2009 £'000	2008 £'000
Debtors: amounts falling due within one year		
Trade debtors	472	335
Amounts due from subsidiary undertakings	2,167	192
Amounts due from fellow subsidiary undertakings	4,789	1,284
Amounts due from immediate parent undertaking	513	17
Amounts due from intermediate parent undertaking	8	8
Deferred tax asset	1,147	5,625
Other debtors	762	283
Prepayments and accrued income	4,868	5,817
	<u>14,726</u>	<u>13,561</u>

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

	2009 £'000	2008 £'000
Debtors: amounts falling due after more than one year		
Deferred tax asset	794	1,533

Deferred tax assets relate to temporary timing differences

	2009 £'000	2008 £'000
Deferred tax asset comprises:		
Capital allowances	178	178
Other timing differences	1,763	6,980
	<u>1,941</u>	<u>7,158</u>

	2009 £'000	2008 £'000
Reconciliation of deferred tax asset:		
Deferred tax asset brought forward	7,158	9,202
(Charge) / credit to the profit and loss account (note 7)	(5,217)	(2,044)
Deferred tax asset carried forward	<u>1,941</u>	<u>7,158</u>

Jupiter Asset Management Limited
 Directors' report and financial statements for the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CASH AND SHORT-TERM DEPOSITS

	2009 £'000	2008 £'000
Cash at bank and in hand	649	531
Short-term deposits	96,000	93,000
	<u>96,649</u>	<u>93,531</u>

Short-term deposits were bank deposits with an original maturity of less than three months

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Due to bank	180	-
Amounts due to group undertakings	9,941	8,626
Taxation and social security	3,632	5,715
Other creditors	2,398	1,701
Accruals and deferred income	16,268	21,148
	<u>32,419</u>	<u>37,190</u>

Amounts due to group undertakings were unsecured, interest free and repayable on demand

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Amounts due to group undertakings	-	263
Other creditors	-	173
	<u>-</u>	<u>436</u>

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

16. CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised, allotted, called up and fully paid: 19,000,000 ordinary shares of £1 each	<u>19,000</u>	<u>19,000</u>

Jupiter Asset Management Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

17 PROFIT AND LOSS ACCOUNT

	2009 £'000	2008 £'000
Profit for the financial year	75,177	48,056
Dividends paid (note 8)	(67,500)	(27,500)
Adjustment for share based payments	123	9
	<u>7,800</u>	<u>20,565</u>
Profit and loss account at beginning of year	55,207	34,642
	<u>63,007</u>	<u>55,207</u>
Profit and loss account at end of year		

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Profit for the financial year	75,177	48,056
Dividends paid (note 8)	(67,500)	(27,500)
Adjustment for share based payments	123	9
	<u>7,800</u>	<u>20,565</u>
Net movement in shareholders' funds	74,954	54,389
Opening shareholders' funds		
	<u>82,754</u>	<u>74,954</u>
Closing shareholders' funds		

19. 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 precise 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 and performance fees are included in turnover.

Certain directors of the company are also directors of some of the investment trusts. However, the majority of the directors of these trusts are independent of the company.

20. SHARE BASED PAYMENTS

The company's ultimate parent, Jupiter Investment Management Holdings Limited, operates an Employee Share Plan ("Plan") to reward and incentivise group employees which is effected through employees acquiring B ordinary shares in Jupiter Investment Management Holdings Limited or options to acquire such shares. Shares vest on occurrence of a specified event under the rules of the Plan. There is no minimum or maximum vesting period and the average vesting period for 2009 is two years (2008 four years). Certain shares are subject to performance conditions. During the year, 140,510 shares (2008 12,900 shares) were issued to employees of the company. £123,000 has been charged to profits in the year and credited to equity (2008 £9,000). Further details are included in the accounts of Jupiter Investment Management Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's financial statements present information about the company as a whole and not about its group. The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare group financial statements.

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 Investment Management Holdings Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

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