Registration Number: 06211806

Jane Street

Jane Street Financial Limited

Reports and Financial Statements
Year Ended 31 December 2019

Jane Street Financial Limited

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Year Ended 31 December 2019

Jane Street Financial Limited

Company Information

Year Ended 31 December 2019

Executive Directors	R A Granieri D M House J S Mackenzie W A Simpson
Non-Executive Directors	R S Emmet T Liu
Company secretary	D O Lawrie
Registered office	20 Fenchurch Street London EC3M 3BY
Company number	06211806
FCA firm number	486546
Auditor	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

The Directors present their Strategic Report prepared in accordance with the provisions of section 414C of the Companies Act 2006 for the year ended 31 December 2019.

Introduction and summary of principal activities

Jane Street Financial Limited (the "Company") is a wholly-owned and controlled subsidiary of the ultimate parent of the Jane Street Group (the "Group"), Jane Street Group, LLC (the "Parent" or "JSG"). The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

The Company operates in three business sectors. The first business sector is principal and matched principal trading activities in financial instruments. The second business sector is the provision of agency trading services to other companies in the Group. In the third business sector the Company serves as the investment manager for Jane Street Asia Capital Ltd ("JSAC"), an affiliate, through its position as a Foreign Portfolio Investor ("FPI").

The Company receives compensation for all trading activities performed on behalf of the Group in accordance with the trading services agreement and Group transfer pricing arrangements. The Company charges Jane Street International Trading Limited ("JSIT"), an affiliate, for the amounts due under the Group transfer pricing agreement. The Company is also compensated by JSAC in the form of management fees and performance fees, as applicable, under an Investment Management Agreement between the Company and JSAC. See note 2 for a summary of the above revenues.

The Company is headquartered in London and undertakes the majority of its business activities from this location. The Company also has a permanent establishment in Germany. The Company is a Systematic Internaliser, as per Article 4(1)(20) of MiFID II. The Company is also registered as an external company in South Africa in order to comply with its exemption from regulation under the South African Financial Advisory and Intermediary Services Act 2002.

The Company is a member of, and market maker on, the London Stock Exchange plc, and a member of the SIX Swiss Exchange Ltd. During the year ended 31 December 2019, the Company became a member of the Borsa Italiana S.p.A. and Euronext N.V exchanges.

Business review

The profit for the year was $36,165,673, a 70% decrease from the profit of $121,677,921 for the year ended 31 December 2018. The following table sets out the key results and performance indicators for the year:

	Year ended 2019 $000	Year ended 2018 $000
Revenues	228,946	336,880
Operating profit on ordinary activities before interest and taxation	45,677	154,508
Profit for the financial year	36,166	121,678
Total equity	143,647	148,481
Operating profit margin	20%	46%
Return on capital employed	32%	104%

Return on capital employed is calculated by dividing operating profit on ordinary activities before interest and taxation by net assets. The statutory Statement of Comprehensive Income is provided on page 13.

The Directors continue to review the Company's business model. The Company will continue to seek opportunities to further grow business activities, and will continue to deploy its resources in furtherance of the Group's wider goals.

As at the date of this report, and subject to the matters disclosed herein, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 December 2019.

Risks and uncertainties
Risks associated with the business are managed according to a common set of principals applied across the Group. These serve to mitigate the risks to which the Company is exposed, as described in further detail in note 17.

Withdrawal of the United Kingdom ("UK") from the European Union ("EU")
Following the outcome of the UK referendum in 2016 where the UK voted to leave the EU ("Brexit"), the withdrawal of the UK from the EU took place on 31 January 2020. There remains a level of uncertainty over the impact of Brexit for the Company after the transition period which ends on 31 December 2020. However, the Company has taken steps to mitigate risks, arising from the outcomes of the transition period, associated with its ability to access EU markets and provide liquidity to EU counterparties. As at the date of this report there have been no matters that warrant adjustment to the financial results as at 31 December 2019 and for the year then ended.

Coronavirus disease ("COVID-19")
The Directors are closely monitoring the global outbreak of COVID-19 and its impact on global financial activities. The Directors do not believe there is any financial impact to the financial statements as at 31 December 2019 as a result of this subsequent event. Further, the Company's financial position and its ability to remain profitable in the future is mainly determined by the amounts it receives from the Group

under the trading services agreement and Group transfer pricing arrangements. The Directors believe that the Parent's ability to provide adequate levels of support to the Company has not been impacted by the events surrounding COVID-19.

Section 172(1) statement
Section 172(1) of the Companies Act 2006 (the "Act") states that directors of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

As part of their duty pursuant to section 172(1) of the Act, the Directors have implemented an effective system of internal controls and management of the Company's affairs, which protects both the interests of its sole shareholder and has regard to the interests of the Company's other stakeholders.

The Company holds Board meetings at least quarterly, which are attended by the Company's Executive and Non-Executive Directors, as well as by senior managers from a cross section of departments. Questions from those in attendance are invited, and the discussion of issues and information prepared by senior management is encouraged. The Directors consider that the attendance and active participation of senior management, who are more closely involved in the day-to-day business of the Company, at these meetings is key to ensuring that they make informed decisions that have regard to the Company's stakeholders as well as the long-term consequences of such decisions.

The Directors have identified the following key stakeholders.

Trading counterparties
The Directors believe that fostering business relationships, in particular relationships with trading counterparties, is vital to the long-term success of the Company. A summary of new trading counterparties is circulated prior to each quarterly Board meeting and specific considerations relating to particular counterparties are brought to the attention of the Directors. For example, for the year ended 31 December 2019, the Directors discussed contingency planning of how to service trading counterparties in the event the UK left the European Union without a binding withdrawal agreement in place (otherwise known as a "No-deal Brexit").

Outside of the Board meetings there is regular dialogue between the Company's sales team and the Directors regarding the status of the Company's relationships with trading counterparties. The Directors have supported the expansion of the sales team throughout the year to ensure that the team has the resources necessary to carry out its counterparty-facing activities, develop stronger relationships with trading counterparties and maintain the Company's reputation in the financial services industry for high standards of business conduct.

Trading venues, prime brokers and investment banks
The Directors consider that maintaining close and collaborative relationships with stakeholders who enable the Company to provide liquidity to its trading counterparties, as well as to the Group, is also integral to the long-term success of the Company. This includes, but is not limited to, relationships with trading venues, the Company's prime brokers and other investment banks who facilitate the Company's access to markets and exchanges, and the settlement of trades. As part of the Company's contingency planning in the event of a No-deal Brexit, the Directors, supported by the Company's infrastructure teams, worked closely with such stakeholders to ensure that decisions made would facilitate business continuity for the benefit of the Company and the Group, and for its trading counterparties in the long-term.

Financial Conduct Authority
As a regulated entity, the Directors consider that the FCA is one of its key stakeholders. The Directors have an open and positive working relationship with the FCA and representatives from the FCA visit the Company to discuss matters of importance. For the year ended 31 December 2019, this included meetings to discuss technology and cyber resilience, and the implementation of the Senior Manager and Certification Regime ("SMCR"). The standing agenda of each Board meeting includes matters that are raised by the FCA, if applicable. For instance, updates from key infrastructure departments regarding cyber security and technology resilience are provided to the Board once a quarter so that it can make informed and long-term decisions in relation to such matters.

Employees
The Company does not have any employees. Instead, the time spent by certain employees of the Group is allocated, either wholly or partially, to the Company. The Directors recognise that the individuals who provide services to the Company are fundamental to its success in the long-term. The Company and the Group promote learning and are committed to developing individual's talents through internal knowledge sharing and external training.

During the year, the Directors had regard to the interests of these employees when implementing SMCR, which came into force on 9 December 2019. SMCR is part of the FCA's drive to improve culture, governance and accountability within financial services firms for the benefit of employees and market participants. The conduct rules under SMCR outline the importance of setting appropriate standards for a company's personnel to ensure that employees are encouraged to be accountable for their actions. These standards build on the Company's values, in particular its desire to maintain a reputation for high standards of business conduct, by encouraging openness, collaboration and accountability. As part of overseeing the implementation of the regime, the Directors ensured employees who provided services to the Company received adequate training on their obligations and responsibilities to the Company, the FCA and the wider financial services community.

The Directors believe they have acted in good faith, both individually and collectively, to comply with their duty pursuant to section 172(1) of the Act. By engaging effectively with stakeholders they have promoted the success of the Company for the benefit of its sole member, ensured the long term impact of decisions are accounted for and that business and stakeholder relationships are maintained.

Going concern

Considering the assessment of COVID-19 and its impact to the Company and the Group, the Company's risk management approaches and the financial position and performance of the Company, the Directors reasonably consider that there are adequate capital and liquidity resources for the Company to continue in operational existence for at least 12 months from the date of this report. Accordingly, the Directors continue to recommend that the accounts be prepared on a going concern basis.

Approved by the Board of Directors on 24 April 2020 and signed on its behalf by:

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J S Mackenzie
Director

Company Registration Number: 06211806

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the Company

The Executive Directors who held office during the year and through to the date of this report, unless otherwise stated, were as follows:

D M Galkowski (resigned 13 November 2019)
R A Granieri
D M House
J S Mackenzie
W A Simpson (appointed 30 January 2020)

The Non-Executive Directors who held office during the year and through to the date of this report were as follows:

R S Emmet
T Liu

Dividends

There were dividends of $41,000,000 declared and paid during the year (2018: $130,200,000) (see note 21). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: $5,000,000).

Subsequent events

On 10 March 2020, 5,000,000 ordinary shares with aggregate nominal value of $5,000,000 were allotted for cash at $1.00 each.

On 12 March 2020, 25,000,000 ordinary shares with aggregate nominal value of $25,000,000 were allotted for cash at $1.00 each.

On both dates, the Company issued additional share capital in order to allow increased trading activity.

Directors' indemnities

For the years ended 31 December 2019 and 2018, the Company has provided third party indemnity insurance for the benefit of the Directors and senior management. Such qualifying third party indemnity insurance remains in force as at the date of approval of the Directors' Report.

Employer policy

All individuals whose time is allocated to the Company, either partially or wholly, are employed by or assigned to Jane Street Europe Limited ("JSE"), an affiliate, which maintains all employer policies. Refer to the Financial Statements of JSE for additional details.

Pillar 3 disclosures

The Company's most recent Pillar 3 disclosures can be accessed on the internet at the following address https://www.janestreet.com/bojnirud/disclosures.pdf. When prompted, the password is 'piii_jsf'.

Auditors

Each Director has taken steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of, and for which they know the auditor is unaware.

Ernst & Young LLP has indicated its willingness to continue in office and they are reappointed as auditor under section 487(2) of the Companies Act 2006.

Future developments

Refer to the Business review section of the Strategic Report.

Stakeholder engagement statement

Refer to the Section 172(1) statement of the Strategic Report.

Going concern and financial risk management

Refer to the Risks and uncertainties section of the Strategic Report.

Approved by the Board of Directors on 24 April 2020 and signed on its behalf by:

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J S Mackenzie

Director

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JANE STREET FINANCIAL LIMITED

Opinion

We have audited the financial statements of Jane Street Financial Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to notes 1 and 22 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting financial markets, personnel available for work and or being able to access offices. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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

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- 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Andrew Stevenson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 April 2020

Jane Street Financial Limited

Statement of Comprehensive Income

As at 31 December 2019

	Note	2019 $000	2018 $000
Revenues	2	228,946	336,880
Administrative expenses		(183,269)	(182,372)
Operating profit on ordinary activities before interest and taxation	3	45,677	154,508
Interest receivable	4	498	6,928
Profit on ordinary activities before taxation		46,175	161,436
Tax on profit on ordinary activities	5	(10,009)	(39,758)
Profit for the financial year		**36,166**	**121,678**

Revenues and operating profit are derived wholly from continuing operations.

There are no components of other comprehensive income recognised as part of total comprehensive income outside profit or loss.

The notes starting on page 17 form an integral part of these financial statements.

Jane Street Financial Limited

Statement of Financial Position

As at 31 December 2019

	Note	2019 $000	2018 $000
Fixed Assets			
Intangible assets	8	410	728
Tangible assets	9	177	271
		587	999
Current assets			
Debtors	10	3,888,495	2,480,799
Financial assets at fair value	11	123,518	119,891
Inventories	12	52	31
Cash at bank	13	45,187	65,476
		4,057,252	2,666,197
Creditors: amounts falling due within one year			
Creditors	14	(3,910,732)	(2,516,830)
Financial liabilities at fair value	15	(3,460)	(1,885)
		(3,914,192)	(2,518,715)
Net current assets		143,060	147,482
Net assets		**143,647**	**148,481**
Capital and reserves			
Called up share capital	18	22,000	22,000
Profit and loss account		121,647	126,481
Total equity		**143,647**	**148,481**

Approved by the Board of Directors on 24 April 2020 and signed on its behalf by:

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J S Mackenzie
Director

The notes starting on page 17 form an integral part of these financial statements.

Jane Street Financial Limited

Statement of Changes in Equity

Year Ended 31 December 2019

	Note	Called up share capital $000	Profit and loss account $000	Total equity $000
As at 1 January 2018		142,000	135,003	277,003
Dividend declared and paid	21	-	(130,200)	(130,200)
Profit for the year		-	121,678	121,678
Share capital reduction	18	(120,000)	-	(120,000)
As at 31 December 2018		**22,000**	**126,481**	**148,481**
Dividend declared and paid	21	-	(41,000)	(41,000)
Profit for the year		-	36,166	36,166
As at 31 December 2019		**22,000**	**121,647**	**143,647**

The notes starting on page 17 form an integral part of these financial statements.

Jane Street Financial Limited

Statement of Cash Flows

Year Ended 31 December 2019

	Note	2019 $000	2018 $000
Reconciliation of operating profit to net cash flow from operating activities			
Profit for the financial year		36,166	121,678
Adjustments for:			
Amortisation of intangible assets	8	392	375
Depreciation of tangible assets	9	109	91
Increase in debtors	10	(1,407,696)	(588,656)
Increase in financial assets at fair value	11	(3,627)	(42,676)
Increase in inventories	12	(21)	(31)
Increase in creditors	14	1,393,894	769,385
Increase in financial liabilities at fair value	15	1,575	315
Net cash inflow from operating activities		20,792	260,481
Cash flow from investing activities			
Software implementation	8	(66)	(125)
Purchase of tangible assets	9	(15)	(84)
Net cash outflow from investing activities		(81)	(209)
Cash flow from financing activities			
Dividend paid	21	(41,000)	(130,200)
Share capital reduction	18	-	(120,000)
Net cash outflow from financing activities		(41,000)	(250,200)
(Decrease)/increase in cash		(20,289)	10,072

	Note	2019 $000	2018 $000
Reconciliation of net cash flow to movement in funds			
(Decrease)/increase in cash	13	(20,289)	10,072
Net funds as at 1 January	13	65,476	55,404
Net funds as at 31 December	13	**45,187**	**65,476**

The notes starting on page 17 form an integral part of these financial statements.

1 Accounting policies

Basis of preparation

The Company is a limited company incorporated in England and Wales. The registered office is Floor 30, 20 Fenchurch Street, London, England EC3M 3BY.

The financial statements have been prepared in accordance with FRS 102. The financial statements have been prepared on a going concern basis and under the historical cost convention, excluding inventories, securities, derivatives and other financial instruments held for trading purposes, which are fair valued in accordance with applicable standards, as defined below. The financial statements are rounded to the nearest thousand United States dollar ("US$").

The Company has adopted the improvements and clarifications introduced by the Triennial review 2017, effective 1 January 2019. The Company has concluded that there is no impact on the financial statements from adopting these changes.

Going concern

The Directors present these financial statements on a going concern basis based on their assessment of the ability of the Company to continue to manage the risks described in the Strategic Report. Whilst there is a level of global uncertainty regarding the developments of COVID-19, the Directors do not believe this impacts the Company's ability to continue as a going concern. The Directors have concluded that COVID-19 is a non-adjusting post balance sheet event (see Note 22).

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Where an amount is estimated, it is discussed and agreed by the Directors. The Directors do not consider there to be any significant estimates in the financial statements at the year end.

Functional and presentation currency

The functional currency is US$ and the accounts are presented in US$.

Revenues

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In relation to the trading services agreement and Group transfer pricing arrangements, revenue is recognised and accrued through the year.

Amounts Charged to JSIT and JSAC

The Company receives compensation for all trading and investment management activities performed on behalf of the Group in accordance with the trading services agreement and Group transfer pricing arrangements.

1 Accounting policies (continued)

The Company serves as the investment manager for JSAC through its position as an FPI for which it is compensated by JSAC in the form of management fees and performance fees, as applicable.

Net trading income

The Company's net trading income includes movements in the fair value of financial instruments and trading profits and losses, including interest and dividends, earned from principal trading in marketable securities. Net trading income also includes commissions earned on matched principal transactions. Revenues in the Statement of Comprehensive Income are net of commission expenses and certain other trading related fees.

Dividend income on equities owned and dividend expense on equities sold but not yet purchased are accounted for on an accruals basis and recorded on the ex-dividend date.

Interest income and expense

Interest receivable presented in the Statement of Comprehensive Income represents interest on non-trading assets. Interest income and expense on all trading assets and liabilities are presented together with all other changes in fair value of trading assets and liabilities in Revenues in the Statement of Comprehensive Income (see note 2). The interest income and expense is accounted for on an accrual basis in the Statement of Comprehensive Income using the effective interest method and are added to or subtracted from the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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 or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset would only be recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are the differences between the Company's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the 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 at the balance sheet date.

Pension / retirement plan costs

Contributions payable to the defined contribution retirement benefit schemes are charged to the Statement of Comprehensive Income in the year to which they relate. Contributions are paid on behalf of the Company by other Group entities.

1 Accounting policies (continued)

Intangible assets and amortisation

Intangible assets are recorded at cost less any provisions for impairment in value. Amortisation is provided on all intangible assets at the following annual rate in order to write off the cost less estimated residual value of each asset over its expected useful economic life.

Asset class	**Amortisation period (straight line)**
Software	Licence term where specified, otherwise over 3 years

Tangible assets and depreciation

Tangible assets are recorded at cost less any provisions for impairment in value. Depreciation is provided on all tangible assets at the following annual rate in order to write off the cost less estimated residual value of each asset over its expected useful economic life.

Asset class	**Depreciation period (straight line)**
Computer equipment	Over 4 years

Cash at bank

Cash at bank is maintained in sight deposit accounts at highly rated financial institutions.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the Statement of Comprehensive Income.

Transactions in foreign currencies are recorded using the daily rate on the day in which they are recorded in the Company accounts.

Non-monetary assets are measured on a historic cost basis and are translated using the exchange rate at the date of the transaction. They are not subsequently revalued for foreign currency movements.

Financial instruments

The Company has elected to apply the recognition and measurement provisions of International Accounting Standard 39 Financial Instruments: Recognition and Measurement (as adopted in the EU) and the disclosure requirements of Sections 11 and 12 of FRS 102.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade debtors and creditors and other short-term monetary assets and liabilities are initially recognised at fair value including transaction costs and are subsequently carried at amortised cost using the effective interest rate.

1 Accounting policies (continued)

Trading assets and liabilities are financial instruments that the Company acquired or acquires principally for the purpose of selling or repurchasing in the near term or are held as part of a portfolio that is managed together for short-term profit making. All trading assets and liabilities are classified at fair value through profit and loss and as held for trading.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the Statement of Financial Position with transaction costs taken directly to the Statement of Comprehensive Income. All changes in the fair value are recognised as part of Revenues in the Statement of Comprehensive Income (see note 2). Trading assets and liabilities are not reclassified subsequent to their initial recognition.

Fair value measurement

The Company accounts for financial instruments on a trade date basis and they are fair valued through the Statement of Comprehensive Income. The fair values of financial assets and financial liabilities are based on quoted market prices, consensus pricing bureaus or dealer price quotations for financial instruments traded in active markets.

Fair value hierarchy

In determining the fair value of the financial instruments, the Company maximises the use of observable inputs and minimises the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company applies a hierarchy to categorise its fair value measurements broken down into three levels based on the transparency of inputs as follows:

Level 1	quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

1 Accounting policies (continued)

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting
The Company only offsets financial assets and liabilities and presents the net amount in the Statement of Financial Position where it:

- currently has a legally enforceable right to set off the recognised amounts, and
- intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Inventories
Inventories represent physical metals held by the Company. The Company accounts for inventories on a trade date basis and they are initially recognised and subsequently measured at fair value in the Statement of Financial Position with transaction costs taken directly to Revenues in the Statement of Comprehensive Income.

All changes in the fair value are recognised as part of Net trading income within Revenues in the Statement of Comprehensive Income (see note 2).

Amounts due from and due to brokers
The clearing and settlement operations for the Company's securities transactions are provided by several brokers. Amounts due from and to brokers in notes 10 and 14 respectively, include cash, broker payables and receivables, and amounts related to securities transactions that have not settled as at 31 December 2019.

Amounts due to brokers are subject to relevant agreed margin requirements. Substantially all securities held at the brokers serve as collateral for the amounts due to the relevant broker. Subject to the clearing agreement between the Company and the clearing broker, the clearing broker has the right to sell or repledge this collateral.

Dividends
Dividends payable to JSG, the sole shareholder, are recognised as a liability in the period in which they are authorised. These amounts are recognised in the Statement of Changes in Equity.

2 Revenues

Revenues are attributable to income from movements in the fair value of financial instruments, trading profits and losses, and amounts charged to JSIT and JSAC.

	2019 $000	2018 $000
Amounts charged to JSIT	240,873	349,712
Amounts charged to JSAC	1,139	863
Net trading income		
Principal and matched principal transactions	20,619	7,170
Commission expenses and other fees	(32,817)	(20,575)
Interest and dividends	(868)	(290)
	228,946	336,880

3 Operating profit

Operating profit is stated after charging:

	2019 $000	2018 $000
Amortisation of intangible assets (see note 8)	392	375
Depreciation of tangible assets (see note 9)	109	91
Operating lease rentals - buildings*	3,542	3,007
Loss/(gain) on foreign currency revaluation	27	(10)
Auditor's remuneration		
Audit of the financial statements	85	93
Other fees to auditor		
Audit related assurance services	99	106
Taxation advisory services	35	91
Total fees to auditor	195	290

*The corresponding leases are in the name of JSE.

4 Interest receivable

	2019 $000	2018 $000
Interest receivable from the Parent	-	6,918
Bank interest receivable	498	-
Other interest receivable	-	10
	498	6,928

5 Tax on profit on ordinary activities

(a) Analysis of tax charge

	2019 $000	2018 $000
Current tax		
UK corporation tax charge	8,998	30,797
UK corporation tax bank surcharge	1,237	10,300
Foreign exchange on current tax balances	(115)	(1,299)
Foreign tax	6	5
Adjustments in respect of prior periods	-	(1)
Total current tax charge	10,126	39,802
Deferred tax		
Origination and reversal of timing differences	(135)	(46)
Effect of changes in tax rates	18	2
Total deferred tax charge	(117)	(44)
Total tax on profit on ordinary activities	10,009	39,758

The Company meets the definition of a banking company in Part 7A CTA 2010 and is subject to an 8% surcharge on profits in excess of £25,000,000 per year.

5 Tax on profit on ordinary activities (continued)

(b) Reconciliation between tax expense and profit on ordinary activities before tax multiplied by applicable tax rate

	2019 $000	2018 $000
Profit on ordinary activities before taxation	46,175	161,436
Corporation tax at standard rate of 19% (2018: 19%)	8,773	30,673
UK corporation tax bank surcharge	1,237	10,300
Expenses not deductible for tax purposes	96	84
Effect of changes in tax rates	18	2
Foreign tax	6	5
Foreign tax credits taken against UK corporation tax	(6)	(6)
Current year foreign exchange adjustments	(115)	(1,299)
Prior year adjustments	-	(1)
Total tax	10,009	39,758

(c) Factors that may affect future tax charges

A reduction in the main rate of corporation tax to 17% from 1 April 2020 was substantively enacted in the Finance Act 2016. However, on 17 March 2020 it was substantively enacted that the UK corporation tax rate would remain at 19% and not reduce to 17% from 1 April 2020. The deferred tax balances included within the accounts have been calculated with reference to substantively enacted rates as at 31 December 2019. Following the substantive enactment of the rate of 19%, it is anticipated that the reversal of timing differences will be based on this rate but the maximum impact on the quantum of the net deferred tax asset recognised at the year end is immaterial.

The deferred tax asset comprises:

	2019 $000	2018 $000
Timing differences between depreciation and capital allowances	34	30
Other short term timing differences	353	240
	387	270

5 Tax on profit on ordinary activities (continued)

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is $10,000 (2018: $3,000), relating to the reversal of short term timing differences. Capital allowances will be received in 2020 on assets that have been fully depreciated in the financial statements.

(d) Group payment arrangement ("GPA")

The Company, along with JSE and other Group entities in the UK, has a GPA with HM Revenue & Customs, whereby JSE makes UK corporation tax payments for and on behalf of the Company and other Group entities in the UK. The payments made by JSE are allocated to the entities within the GPA in line with their tax expense for the period to which the payments relate.

6 Directors' remuneration

	2019 $000	2018 $000
Remuneration (including benefits in kind)	8,385	21,398
Company contributions to pension / retirement plans	26	20
Total Directors' remuneration	8,411	21,418

The Directors' remuneration disclosed above includes the following amounts paid to the highest compensated Director:

	2019 $000	2018 $000
Remuneration (including benefits in kind)	3,696	11,864
Total Director's remuneration	3,696	11,684

The Directors of the Company are remunerated by other entities within the Group. Directors' remuneration is allocated between Group entities on the basis of time spent by Directors for the period during which they served as Directors of the Company. The amounts allocated to the Company are as disclosed above.

The Group operates defined contribution pension schemes (retirement plans), the assets and liabilities of which are held separately from those of the Company. The costs are allocated between Group entities as

6 Directors' remuneration (continued)

previously disclosed. Of the Directors who served during the year ending 31 December 2019, three (2018: three) Directors were members of the pension/retirement plans. Contributions are paid by other Group entities and therefore any unpaid contributions at the year end are recognised in their financial statements.

7 Staff costs

The average number of individuals (including relevant Directors) whose time was allocated to the Company, either partially or wholly, during the year was as follows:

	2019	**2018**
Back office	184	139
Front office	69	52
Management	3	4
Total average headcount	256	195

The aggregate payroll costs were as follows:

	2019 **\$000**	**2018** **\$000**
Salaries, allowances and benefits in kind	112,386	121,496
Social security costs	12,371	13,089
Staff pension / retirement plan costs	1,953	1,369
Total payroll costs	126,710	135,954

Staff are remunerated by other entities within the Group. Remuneration is allocated between Group entities on the basis of time spent and the amounts allocated to the Company are as disclosed above.

The Group operates defined contribution pension schemes (retirement plans), the assets and liabilities of which are held separately from those of the Company. The costs are allocated between Group entities as previously disclosed. The amount charged against profit includes contributions by other Group entities on behalf of the Company of \$1,953,205 (2018: \$1,369,452). Contributions are paid by other Group entities and therefore any unpaid contributions at the year end are recognised in their accounts.

8 Intangible assets

	Software $000
Cost	
At 31 December 2018	1,294
Additions	74
At 31 December 2019	1,368
Amortisation	
At 31 December 2018	566
Charge for the year	392
At 31 December 2019	958
Net book value	
At 31 December 2018	728
At 31 December 2019	410

9 Tangible assets

	Computer Equipment $000
Cost	
At 31 December 2018	426
Additions	15
At 31 December 2019	441
Depreciation	
At 31 December 2018	155
Charge for the year	109
At 31 December 2019	264
Net book value	
At 31 December 2018	271
At 31 December 2019	177

10 Debtors

	2019 $000	2018 $000
Amounts due from brokers		
Trade debtors	34,857	18,175
Amounts awaiting settlement	3,847,780	2,461,391
Other debtors		
Amounts due from Group undertakings	4,043	300
Corporation tax receivable	1	7
VAT receivable	1,427	-
Stamp duty receivable	-	656
Deferred tax asset	387	270
Total debtors	3,888,495	2,480,799

No assets are past due or impaired as at 31 December 2019.

11 Financial assets at fair value

	2019 $000	2018 $000
Equity instruments*	3,167	66
Debt securities*	118,882	117,656
Derivative financial assets	1,469	2,169
	123,518	119,891

*The Company is the beneficial owner of all settled long securities. Where long securities are held at prime brokers, title, along with the rehypothecation rights, are held by the prime brokers as collateral for the secured financing transactions. The Company is the legal owner where long securities are held at a custodian.

12 Inventories

	2019 $000	2018 $000
Physical metals	52	31

13 Analysis of net funds

	At 1 January 2019 $000	Cash flow $000	At 31 December 2019 $000
Cash at bank	65,476	(20,289)	45,187

14 Creditors

	2019 $000	2018 $000
Amounts due to brokers		
Trade creditors	785,516	542,101
Amounts awaiting settlement	3,093,778	1,923,511
Other creditors		
Amounts due to Group undertakings	29,949	50,694
Accruals	1,489	524
Total creditors	3,910,732	2,516,830

15 Financial liabilities at fair value

	2019 $000	2018 $000
Equity instruments	1,848	10
Derivative financial liabilities	1,612	1,875
	3,460	1,885

16 Financial instruments

The tables below analyse financial instruments measured at fair value at the end of the year by the level in the fair value hierarchy where each instrument is categorised. All financial instruments are classified as held for trading under IAS 39.

The Company has no financial liabilities measured at fair value that are affected by changes in own credit risk and the Company does not hold any level 3 financial instruments.

	2019 $000	Level 1 $000	Level 2 $000
Assets measured at fair value			
Equity instruments	3,167	3,167	-
Debt securities	118,882	118,882	-
Derivative financial assets	1,469	-	1,469
	123,518	122,049	1,469
Liabilities measured at fair value			
Equity instruments	1,848	1,848	-
Derivative financial liabilities	1,612	-	1,612
	3,460	1,848	1,612

	2018 $000	Level 1 $000	Level 2 $000
Assets measured at fair value			
Equity instruments	66	66	-
Debt securities	117,656	117,656	-
Derivative financial assets	2,169	-	2,169
	119,891	117,722	2,169
Liabilities measured at fair value			
Equity instruments	10	10	-
Derivative financial liabilities	1,875	-	1,875
	1,885	10	1,875

17 Financial instrument risk exposures

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices, commodity prices and foreign exchange rates.

The Company has market risk exposures through its proprietary trading activities.

The risks that the Company is directly exposed to are discussed below:

Interest rate risk

The Company's interest rate risk arises from holdings in financial instruments, which give rise to price sensitivity with respect to interest rates.

The following table demonstrates the impact on profit and loss of a severe but plausible change in interest rates with all other variables held constant.

	Change in Interest Rates	**Effect on profit before tax and equity $000**
2019		
One hundred basis point increase in interest rates	100bps	(385)
One hundred basis point decrease in interest rates	(100bps)	385

	Change in Interest Rates	**Effect on profit before tax and equity $000**
2018		
One hundred basis point increase in interest rates	100bps	(516)
One hundred basis point decrease in interest rates	(100bps)	516

17 Financial instrument risk exposures (continued)

Equity price risk

The Company holds equities and OTC equity derivatives. At 31 December 2019, the portfolio was primarily long risk in securities which track the MSCI Emerging Market ("EM") Index and long risk securities which track the MSCI Developed Market ("DV") Index (2018: long MSCI EM Index and long MSCI DV Index). The following table demonstrates the impact on profit and loss of a severe but plausible change in the index with all other variables held constant.

	Change in MSCI EM Index	**Effect on profit before tax and equity $000**
2019		
Twelve percent increase in MSCI EM Index	12%	70
Twelve percent decrease in MSCI EM Index	(12%)	(70)

	Change in MSCI DV Index	**Effect on profit before tax and equity $000**
2019		
Eight percent increase in MSCI DV Index	8%	-
Eight percent decrease in MSCI DV Index	(8%)	-

	Change in MSCI EM Index	**Effect on profit before tax and equity $000**
2018		
Twelve percent increase in MSCI EM Index	12%	1,223
Twelve percent decrease in MSCI EM Index	(12%)	(1,223)

	Change in MSCI DV Index	**Effect on profit before tax and equity $000**
2018		
Eight percent increase in MSCI DV Index	8%	4
Eight percent decrease in MSCI DV Index	(8%)	(4)

17 Financial instrument risk exposures (continued)

Foreign currency risk

At 31 December 2019, the Company was long EM currency exposure and short DV currency exposure (2018: long EM and short DV). The following tables demonstrate the impact on profit and loss of a severe but plausible change in the foreign currency exchange rates against the US dollar with all other variables held constant.

	Change in EM vs USD	**Effect on profit before tax and equity $000**
2019		
Eight percent increase in EM vs USD	8%	61
Eight percent decrease in EM vs USD	(8%)	(61)

	Change in DV vs USD	**Effect on profit before tax and equity $000**
2019		
Four percent increase in DV vs USD	4%	(247)
Four percent decrease in DV vs USD	(4%)	247

	Change in EM vs USD	**Effect on profit before tax and equity $000**
2018		
Eight percent increase in EM vs USD	8%	828
Eight percent decrease in EM vs USD	(8%)	(828)

	Change in DV vs USD	**Effect on profit before tax and equity $000**
2018		
Four percent increase in DV vs USD	4%	(158)
Four percent decrease in DV vs USD	(4%)	158

17 Financial instrument risk exposures (continued)

Credit risk

The Company's maximum credit risk exposure, as per the table below, consists of both banking and trading book exposures where the trading book exposures primarily consist of issuer risk on assets held in the Company's trading book and of the mark-to-market settlement risk related to amounts awaiting settlement.

	2019 $000
Credit rating	
AAA to AA-	161,914
A+ to BBB-	4,441
Unrated	15,418

	2018 $000
Credit rating	
AAA to AA-	138,401
A+ to BBB-	55,683
Unrated	12,387

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2019 and 2018 according to when they are expected to be realised or settled, based on contractual undiscounted payments.

	On demand $000	Due within 6 months $000	Total $000
2019			
Financial liabilities	-	1,848	1,848
Derivative financial liabilities	-	1,612	1,612
Amounts due to brokers	-	3,879,294	3,879,294
Amounts owed to Group undertakings	29,949	-	29,949
Accruals and other payables	1,489	-	1,489
	31,438	3,882,754	3,914,192

17 Financial instrument risk exposures (continued)

Liquidity risk (continued)

	On demand $000	Due within 6 months $000	Total $000
2018			
Financial liabilities	-	10	10
Derivative financial liabilities	-	1,875	1,875
Amounts due to brokers	-	2,465,612	2,465,612
Amounts owed to Group undertakings	50,694	-	50,694
Accruals and other payables	524	-	524
	51,218	2,467,497	2,518,715

Other risks

As part of its business the Company may also hold Collective Investment Undertaking ("CIU") securities. At 31 December 2019, the Company held no CIU securities (2018: long CIU).

The Company maintains a long position in short-dated out of the money index put options. For a severe but plausible change in underlying indices, where the indices prices change plus or minus 10%, there is no material effect on profit before tax and equity due to the price insensitivity of the options. However, for a very severe decline in underlying indices the Company could make a significant profit.

To mitigate against any risk of loss resulting in a loss before tax, the Company purchases loss protection annually from JSIT under which the Company, through the Group transfer pricing arrangements, is indemnified subject to a cap.

Capital management

The Company is subject to capital supervision by the FCA which requires a firm to hold sufficient capital to underpin the solvency requirements related to credit, market and operational risk. The primary objectives of the Company's capital management policy is to ensure that the Company has sufficient resources to support the Company's existing and planned business operations while complying with the FCA's capital requirements. The Company determines its capital requirements through a comprehensive planning approach that takes into account projected business activity and incorporates stress and scenario testing in accordance with internal and FCA requirements. Accordingly, the Company actively

17 Financial instrument risk exposures (continued)

Capital management (continued)

manages shareholders' equity. As at 31 December 2019, the total shareholders' equity was $143,647,316 (2018: $148,481,643).

For the years ended 31 December 2019 and 2018, the Company met its regulatory obligations and complied with the FCA's capital requirements. outstanding principal balance owed to the Company under the Loan Note with the Parent was reduced to $nil.

18 Share capital

	No. in 000's	2019 $000	No. in 000's	2018 $000
Allotted, called up and fully paid				
Ordinary shares of $1.00 each	22,000	22,000	22,000	22,000

There were no transactions during the year ended 31 December 2019 that impacted share capital.

On 28 December 2018, the Company's share capital was reduced from $142,000,000 to $22,000,000 by cancelling 120,000,000 of the issued ordinary shares of $1.00 each. Consideration for the share cancellation was provided by way of an agreement with the Parent whereby the $120,000,000 outstanding principal balance owed to the Company under the Loan Note with the Parent was reduced to $nil.

19 Related party transactions

Included within Debtors in the Statement of Financial Position are the following amounts (see note 10):

	2019 $000	2018 $000
Amounts due from affiliates		
Jane Street Global Trading, LLC	2,185	65
Jane Street Asia Limited	1,053	63
JSAC	805	172
	4,043	300

19 Related party transactions (continued)

Included within Creditors in the Statement of Financial Position are the following amounts (see note 14):

	2019 $000	2018 $000
Amounts due to affiliates		
JSIT	28,214	52,134
JSE	995	(1,953)
Jane Street Capital, LLC	452	139
Jane Street Execution Services, LLC	217	67
Jane Street Hong Kong Limited	71	307
	29,949	50,694

The key management personnel ("KMP") of the Company are remunerated by other entities within the Group. This remuneration is allocated between Group entities on the basis of time spent by the KMP for the year during which they served as key management of the Company. Total compensation of KMP (including the Directors) in the year amounted to $8,822,477 (2018: $24,031,109).

20 Parent company

The Company is controlled by and is a wholly owned subsidiary of JSG, an entity that was formed under the laws of the State of Delaware in the United States of America. JSG is the only Group entity producing consolidated accounts including the results of the Company.

21 Dividends

	2019 $000	2018 $000
Declared and paid during the year		
Final dividend for 2017	-	25,900
Interim dividend for 2018	-	104,300
Final dividend for 2018	5,000	-
Interim dividends for 2019	36,000	-
	41,000	130,200

22 Post balance sheet events

On 10 March 2020, 5,000,000 ordinary shares with aggregate nominal value of $5,000,000 were allotted for cash at $1.00 each.

On 12 March 2020, 25,000,000 ordinary shares with aggregate nominal value of $25,000,000 were allotted for cash at $1.00 each.

On both dates, the Company issued additional share capital in order to allow increased trading activity.

COVID-19

The Directors are closely monitoring the global outbreak of COVID-19 and its impact on global financial activities. The Directors do not believe there is any financial impact to the financial statements as at 31 December 2019 as a result of this subsequent event. Further, the Company's financial position and its ability to remain profitable in the future is mainly determined by the amounts it receives from the Group under the trading services agreement and Group transfer pricing arrangements. The Directors believe that the Parent's ability to provide adequate levels of support to the Company has not been impacted by the events surrounding COVID-19.

23 Country-by-country reporting

The Capital Requirements Directive IV (CRD IV) requires institutions to publish the following country-by-country information. The disclosures have been prepared in compliance with FRS 102.

In the UK, the Company operates in three business sectors. The first business sector is principal and matched principal trading activities in financial instruments. The second business sector is the provision of agency trading services to other companies in the Group. In the third business sector the Company serves as the investment manager for JSAC, an affiliate, through its position as a FPI.

In Germany, the Company's principal activity is to provide hosting services to the Group.

In the tables below, the corporation tax paid in the UK has been made on behalf of the Company by JSE, an affiliate, as part of a GPA (see note 5).

Year ended 31 December 2019

Location	Revenue $000	Number of employees	Profit before taxation $000	Corporation tax paid $000	Subsidies received $000
UK	228,444	256	46,151	10,114	-
Germany	502	-	24	6	-
Total	228,946	256	46,175	10,120	-

23 Country-by-country reporting (continued)

Year ended 31 December 2018

Location	Revenue $000	Number of employees	Profit before taxation $000	Corporation tax paid $000	Subsidies received $000
UK	336,453	195	161,416	39,792	-
Germany	427	-	20	11	-
Total	336,880	195	161,436	39,803	-