

COMPANY REGISTRATION NUMBER
06156953

JUPITER FUND MANAGEMENT GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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JUPITER FUND MANAGEMENT GROUP LIMITED

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JUPITER FUND MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Jupiter Fund Management Group Limited (the "Company") for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The Company is a subsidiary of Jupiter Fund Management plc and is an intermediate investment holding company for a group of companies providing investment management services to a range of clients. Jupiter Fund Management plc and its subsidiaries are collectively known as the "Group".

BUSINESS REVIEW

Results and key performance indicators

The results show a profit of £7,500,000 (2010: £65,320,000) for the financial year as set out in the profit and loss account on page 7. The Company paid no interim dividends (2010: £65,000,000) and does not propose a final dividend (2010: £nil).

The Directors of Jupiter Fund Management plc manage the Group's operations on a single operating segment basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Jupiter Fund Management Group Limited. The development, performance and position of Jupiter Fund Management plc, which includes the Company, is discussed on page 9 of the Group's Annual Report which does not form part of this report. Copies of the Annual Report are available from the following website, www.investorsjupiteronline.co.uk.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks and uncertainties of Jupiter Fund Management plc, which include those of the Company, are discussed on page 22 of the Group's Annual Report which does not form part of this report.

FUTURE DEVELOPMENTS

The Company's future is dependent on the strategic and organisational decisions of its parent and the wider Group. The Directors do not envisage any significant changes in the future.

SUPPLIER POLICY

Creditors represent amounts due to Group undertakings. These are unsecured, interest free and repayable on demand. The Company agrees terms of business and repayment with the fellow Group undertaking and it is our policy to abide by these terms.

ENVIRONMENTAL POLICY

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

DIRECTORS

The Directors who served during the accounting period and up to the date of signing the financial statements were:

E H Bonham Carter
A J Creedy
P M Johnson

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.

JUPITER FUND MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

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 United Kingdom Accounting Standards have been followed, 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

GOING CONCERN

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

INDEPENDENT AUDITORS

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

BY ORDER OF THE BOARD



Jupiter Asset Management Limited
Company Secretary
11 April 2012

1 Grosvenor Place
London SW1X 7JJ

JUPITER FUND MANAGEMENT GROUP LIMITED

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

We have audited the financial statements of Jupiter Fund Management Group Limited for the year ended 31 December 2011 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 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

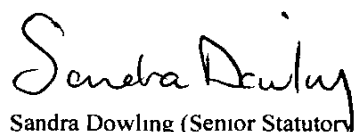
JUPITER FUND MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER ASSET MANAGEMENT GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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



Sandra Dowling (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 April 2012

JUPITER FUND MANAGEMENT GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £'000	2010 £'000
Turnover	1b	7,500	76,818
Administrative expenses		<u>-</u>	<u>3</u>
Operating profit		7,500	76,821
Interest payable and similar charges	3	<u>-</u>	<u>(10,920)</u>
Profit on ordinary activities before taxation	2	7,500	65,901
Tax on profit on ordinary activities	4	<u>-</u>	<u>(581)</u>
Profit for the financial year	10	<u>7,500</u>	<u>65,320</u>

All amounts relate to continuing operations

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

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

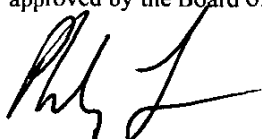
The notes on pages 9 to 14 form part of these financial statements

JUPITER FUND MANAGEMENT GROUP LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Investment in subsidiary undertaking	6	<u>297,000</u>	<u>297,000</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	7	6	6
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(255,729)</u>	<u>(263,229)</u>
NET CURRENT LIABILITIES		<u>(255,723)</u>	<u>(263,223)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,277</u>	<u>33,777</u>
NET ASSETS		<u>41,277</u>	<u>33,777</u>
CAPITAL AND RESERVES			
Called up share capital	9	33,000	33,000
Profit and loss account	10	<u>8,277</u>	<u>777</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u>41,277</u>	<u>33,777</u>

The financial statements of Jupiter Fund Management Group Limited (registered number 06156953) on pages 7 to 14 were approved by the Board of Directors on 11 April 2012 and were signed on its behalf by



P M Johnson
Director

The notes on pages 9 to 14 form part of these financial statements

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

a. Accounting convention

The 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 applied consistently throughout the year, are set out below.

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

b. Turnover

Turnover consists of dividend income from shares in subsidiary undertaking. Dividends receivable are recognised in the period in which they are received.

c. Investment in subsidiary undertaking

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

d. Finance costs of debt

Interest on preferred finance securities is accrued on a daily basis.

e. Taxation

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

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

A deferred tax asset is recognised when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits generated by the Company, or by another company in the 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.

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.

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (CONTINUED)

f. Cash flow statement and related party disclosures

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

g. Dividends

Dividend distributions are recognised in the period in which they are approved by the Board of Directors.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees during the year (2010: nil). The auditors' remuneration of £5,000 (2010: £4,000), is borne by the parent company.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable on preferred finance securities	-	10,920

Interest was payable on the preferred finance securities at the rate of 10 per cent per annum from the date of issue on 19 June 2007. Interest was due to be paid to the holders on 31 March each year, otherwise compound interest would be charged on the 31 March balance each year until payment had been made in Jupiter Fund Management plc. During 2010 all of the preferred finance securities were either cancelled, repaid or converted into ordinary shares prior to the Listing.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
The tax charge is made up as follows:		
Current tax:		
UK corporation tax on profits for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	581
Total tax on profit on ordinary activities	-	581

The tax for the year is lower (2010: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2011 of 26.5 per cent (2010: 28 per cent). The differences are explained below.

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2011 £'000	2010 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before taxation	7,500	65,901
Effect of:		
UK Corporation tax on loss before tax at 26.5 per cent (2010: 28 per cent)	1,988	18,452
Non-taxable profits	(1,988)	(21,509)
Group relief surrendered to subsidiaries for nil consideration	-	3,638
Movement in timing differences	-	(581)
Total current tax charge	-	-

Factors that may affect future tax charges

As the year end is after substantive enactment date (20 July 2010) of the Finance Act 2010 and after the substantive enactment dates (29 March 2011 & 5 July 2011) of the March 2011 UK Budget Statement changes, these financial statements account for the change in tax rate from 28 per cent to 26 per cent with effect from 1 April 2011 and the change in tax rate from 26 per cent to 25 per cent with effect from 1 April 2012. There is no impact on the Company since there is no deferred tax.

Subsequent to the year end, the Budget announcement by the Chancellor of the Exchequer on 21 March 2012 made changes to the main rate of tax for UK companies. These changes included a reduction in the corporation tax rate from 26 per cent to 24 per cent with effect from 1 April 2012. This was substantively enacted on 26 March 2012 and the reduction replaces the decrease to 25 per cent previously enacted in Finance Act 2011. In addition, the Budget proposes to reduce the main rate of corporation tax from 24 per cent to 23 per cent from 1 April 2013 and from 23 per cent to 22 per cent from 1 April 2014. The proposed further reductions to 23 per cent and 22 per cent have not been substantively enacted.

5. DIRECTORS' EMOLUMENTS

Certain Directors provide services to a number of Group companies and accordingly their emoluments are charged across a number of Group companies. The emoluments below represent an apportionment of their emoluments in respect of the Company's subsidiaries.

	2011 £'000	2010 £'000
Aggregate remuneration including bonuses	2,242	5,624
Aggregate amounts (excluding shares and share options) receivable under long term incentive schemes	184	4,175
Pension contributions	52	183
	<u>2,478</u>	<u>9,982</u>

Pension contributions were made to a defined contribution pension scheme during the year on behalf of two Directors (2010: five).

Shares were receivable by three Directors under long-term incentive schemes.

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

5. DIRECTORS EMOLUMENTS (CONTINUED)

Emoluments of the highest paid Director

	2011	2010
	£'000	£'000
Remuneration including amounts (excluding shares and share options) receivable under long-term incentive arrangements	1,237	3,398
Pension contributions	-	37
	<u>1,237</u>	<u>3,435</u>

In 2011 and 2010, shares were receivable by the highest paid Director under long-term incentive schemes

6. INVESTMENT IN SUBSIDIARY UNDERTAKING

	£'000
Cost	
At 1 January and 31 December 2011	<u>297,000</u>
Provisions	
At 1 January and 31 December 2011	<u>-</u>
Carrying value at 31 December 2011	<u>297,000</u>
Carrying value at 31 December 2010	<u>297,000</u>

The Directors believe that the carrying value of the investments is supported by their underlying net assets

The following information relates to the Company's operating subsidiaries which principally affected the profits or net assets of the Company. To avoid a statement of excessive length, details of investments which are not significant have been omitted. The Company held directly or indirectly all of the issued ordinary shares of all of the principal subsidiaries in 2011 and 2010.

Subsidiaries	Country of incorporation & operation	Principal activities
Jupiter Asset Management Group Limited*	England and Wales	Investment holding company
Jupiter Investment Management Group Limited	England and Wales	Investment holding company
Jupiter Asset Management Limited	England and Wales	Investment management
Jupiter Unit Trust Managers Limited	England and Wales	Unit trust activities
Jupiter Asset Management (Bermuda) Limited **	Bermuda	Investment management

* Subsidiary wholly owned directly by the Company

** Common shares

A full list of subsidiary undertakings and associates will be annexed to the next annual return of Jupiter Fund Management Group Limited to be filed with the Registrar of Companies

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts due from Group undertakings	<u>6</u>	<u>6</u>
Amounts due from Group undertakings are unsecured, interest free and repayable on demand		

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts due to parent company	<u>255,729</u>	<u>263,229</u>

9. CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted and fully paid:		
660,000,000 ordinary shares of £0.05 each (2010: 660,000,000 ordinary shares of £0.05 each)	<u>33,000</u>	<u>33,000</u>

On 23 April 2010, the Company's ordinary share capital was reduced from £60,000,000, divided into 60,000,000 ordinary shares of £1.00 each, to £3,000,000, divided into 60,000,000 ordinary shares of 5p each, by the reduction in the nominal value of the issued and unissued shares from £1.00 to 5p each following the passing of a special resolution on 23 April 2010. Moreover, as part of the same resolution, the amount of £57,000,000 by which the issued share capital of the Company was so reduced was carried to a special reserve in the financial statements of the Company. The Directors are authorised to utilise such reserve for any purpose for which the distributable reserve of the Company may be used, and as such, the special reserve was transferred to the profit and loss account.

On 24 June 2010, the authorised share capital of the Company was increased from £3,000,000 to £33,000,000 by the creation of 600,000,000 ordinary shares of 5p each.

10. PROFIT AND LOSS ACCOUNT

	2011 £'000	2010 £'000
At 1 January	777	(56,543)
Profit for the financial year	7,500	65,320
Special reserve transfer to profit and loss account	-	57,000
Dividends paid	<u>-</u>	<u>(65,000)</u>
At 31 December	<u>8,277</u>	<u>777</u>

JUPITER FUND MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

11. SPECIAL RESERVE

	2011 £'000	2010 £'000
At 1 January	-	-
Creation of special reserve via share capital reduction (notes 9 and 10)	-	57,000
Special reserve transfer to profit and loss account	-	(57,000)
At 31 December	-	-

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Opening shareholders' funds	33,777	3,457
Profit for the financial year	7,500	65,320
Dividends paid (note 13)	-	(65,000)
Share capital reduction (note 11)	-	(57,000)
Special reserve creation (note 11)	-	57,000
Net proceeds of issue of ordinary share capital (note 9)	-	30,000
Closing shareholders' funds	41,277	33,777

13 DIVIDENDS

	2011 £'000	2010 £'000
1st interim dividend paid £nil per share (2010 £0.038 per share)	-	25,000
2nd interim dividend paid £nil per share (2010 £0.061 per share)	-	40,000
	-	65,000

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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