Registration Number: 06211806

Jane Street

Jane Street Financial Limited

Reports and Financial Statements
Year Ended 31 December 2020

Jane Street Financial Limited

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Year Ended 31 December 2020

Jane Street Financial Limited

Company Information

Year Ended 31 December 2020

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	2 & A Half Devonshire Square London EC2M 4UJ
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 2020.

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 undertakes principal and matched principal trading activities in financial instruments and also engages in the provision of agency trading services for other companies in the Group. The Company also 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. Additionally the Company is 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 Systematic Internaliser, as per Article 4(1)(20) of MiFID II.

The Company is a member of, and market maker on, the London Stock Exchange plc, and a member of the SIX Swiss Exchange Ltd, Borsa Italiana S.p.A, Euronext N.V and Xetra exchanges.

Business review

The Statement of Comprehensive Income on page 16 reflects the trading results of the Company for the years ended 31 December 2020 and 2019. During the year ended 31 December 2020, the Company generated revenues of $265,332,802 (2019: $228,945,546), while administrative expenses amounted to $188,532,855 (2019: $183,268,468). The operating profit margin for the year was 29% (2019: 20%). During the year ended 31 December 2020, the Company produced after tax profits of $58,547,534 (2019: $36,165,673).

The financial position of the Company as at 31 December 2020 and 2019 is shown in the Statement of Financial Position on page 17. As at 31 December 2020, total equity was $197,194,650 (2019: $143,647,315) an Increase of 37% since 31 December 2019. For the year ended 31 December 2020, the return on capital employed was 39% (2019: 32%). Return on capital employed is calculated by dividing operating profit on ordinary activities before interest and taxation by net assets.

A key performance indicator of the Company is revenues. An increase in market volatility and trading volumes contributed to a year on year increase of 16% for the year ended 31 December 2020 when compared with 31 December 2019.

In 2020 the Company's costs remained in line with expectations and are deemed to be appropriate given the levels of business activity during the year, with costs predominantly driven by compensation.

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 twelve months subsequent to the date of this report.

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 18.

Withdrawal of the United Kingdom ("UK") from the European Union ("EU") ("Brexit")

The transition period, agreed between the EU and UK and whereby the UK remained within the EU's single market and customs arrangements, ended on 31 December 2020. As at the date of this report there have been no matters relating to Brexit that warrant adjustment to the financial results as at 31 December 2020 and for the year then ended.

Coronavirus disease ("COVID-19")

The Directors continue to closely monitor the global outbreak of COVID-19 and its impact on global financial activities. The Directors do not believe there is any adverse financial impact to the financial statements as at 31 December 2020 as a result of this pandemic. 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 adversely 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.

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.

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 is a wholly owned subsidiary of the Group and seeks to deploy the Group's strategy in those jurisdictions in which the Company is active in accordance with all relevant local laws and regulation. In addition, to the Parent, 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. For the year ended 31 December 2020 an overriding concern of the Directors was ensuring that the provision of liquidity to counterparties was not compromised when the Company and the Group moved to a working from home model necessitated by COVID-19. In addition, throughout 2020, the Board prepared the Company for the end of the UK's membership from the European Union (which formally ended at 11 pm on 31 December 2020). The Directors and other members of senior management were actively engaged with trading counterparties and other relevant stakeholders to ensure these parties were aware of any changes brought on by this event.

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 continued 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 access markets and 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 and brokers who facilitate the Company's access to markets and exchanges, and the settlement of trades. As part of the Company's preparedness for the UK's departure from the European Union, the Directors, supported by the Company's infrastructure teams, continued to work closely with such stakeholders to ensure that decisions made would facilitate business continuity for the benefit of the Company and the Group, and for these stakeholders in the long-term.

Working closely and collaboratively with such stakeholders has also been crucial throughout the COVID-19 pandemic. In particular, this was important at the start of the pandemic when both the Company and its stakeholders were migrating to a 'working from home' model during a time of extreme volatility in global markets.

Regulators
The Company trades in multiple jurisdictions and on multiple venues. As a result, the Directors consider that regulators are key stakeholders. The Directors seek to have an open and positive working relationship with the Company's principal regulator (the Financial Conduct Authority). As a leading market participant in the financial markets the Company seeks to play its part as a responsible and engaged party and seeks to work closely with trade bodies to ensure markets in Europe continue to develop as efficient and transparent market places for the benefit of all stakeholders. For example, during 2020, the Company contributed to consultations carried out by the European Securities and Markets Authority ("ESMA") and engaged with central banks on a range of issues affecting particular financial products and markets.

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. The Group also offers employees a range of benefits to support employee health and well-being.

The Group operates an open and collegiate environment for all employees, in which all points of view are considered. Senior management provides briefings to staff concerning material business updates.

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
Having considered the Company's risk management approaches, the financial position and performance of the Company and the continuing assessment of COVID-19 and its impact to the Company and the Group, 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 22 April 2021 and signed on its behalf by:

....
J S Mackenzie
Director

Company Registration Number: 06211806

The Directors present their report and the financial statements for the year ended 31 December 2020.

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:

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 $35,000,000 declared and paid during the year (2019: $41,000,000) (see note 22). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020.

Subsequent events

On 12 January 2021 the Directors approved the payment of a further dividend of $5,000,000 to its Parent which was paid on 21 January 2021.

On 2 March 2021 the Directors approved the payment of a further dividend of $6,000,000 to its Parent which was paid on 8 March 2021.

Directors' indemnities

For the year ended 31 December 2020, the Company 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.

JSE is an equal opportunity employer and does not discriminate on the basis of sex, race, religion, age, nationality, ethnic origin, marital status, disability, sexual orientation, or any other status protected by law. Through its affiliate JSE, the Company complies with all applicable employment laws and strives to create and maintain a respectful and rewarding work environment for all employees.

Disability statement
Through its diversity policy, the Company seeks to ensure that every employee, without exception, is treated equally and fairly. The Company's policies and procedures fully support our colleagues with disabilities.

The Company takes active measures to:

- Give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities
- Provide all employees with access to supportive short and long-term disability policies and benefits
- Offer access to specialist support services

Should any employee of the Company become disabled during their employment, reasonable adjustments to their working environment will be made where possible, in order to keep the employee with the Company.

It is the policy of the Company that the recruitment, training, career development and advancement of disabled persons should, as far as possible, be identical to that of colleagues who do not have a disability.

Streamlined energy & carbon reporting (SECR)
As an unquoted company incorporated in the UK, the Company is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in the table on page 9 represent emissions and energy use for which the Company is responsible, including energy used in our offices and fuel used for transport on company business. The Company has used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate its emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2020.

Any estimates included in the totals are derived from actual data. As this is the first year of reporting for which the Company is required to comply with the regulations, there is no previous year comparison data.

	2020
Total energy consumption used to calculate emissions in kWh	705,303
Emissions from combustion of gas	21
Emissions from combustion of fuel for transport purposes	-
Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing fuel	0.15
Emissions from purchased electricity	137.57
Total gross tCO_2e	**158.72**
Intensity ratio: gross tCO_2e/ Total average headcount (see note 8)	0.49

During the year ended 31 December 2020, the build out of a new office space was completed. The Company incorporated a number of energy efficiency initiatives including, but not limited to, LED lighting, a lighting controls system, electronically commutated fans on CRAC units and Li-ion batteries for the UPS system.

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 and Going concern sections of the Strategic Report.

Approved by the Board of Directors on 22 April 2021 and signed on its behalf by:

....

J S Mackenzie
Director

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom laws 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 the requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- in respect of the Company's financial statements, state whether applicable UK Accounting Standards including FRS 102 in conformity with the requirements of the Companies Act 2006 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 appropriate to presume that the Company will not 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 the Company 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.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and Directors' report that comply with those laws and regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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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 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows and the related notes 1 to 24, 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 2020 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. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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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 course of 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 themselves. 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
- 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 11, 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.

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Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, Corporation tax legislation, the Financial Conduct Authority's Handbook, Financial Services and Markets Act 2000 (FSMA), The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.
- We understood how Jane Street Financial Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance matters and those charged with governance to understand how the Company maintains and communicates its policies and procedures. We corroborated our enquiries through our review of Board minutes, relevant policies and correspondence with regulators.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We considered the controls, including entity level controls, that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We evaluated management's incentive, rationale and opportunities for fraudulent manipulation of the financial statements. Our procedures involved testing, on a sample basis, manual journals posted to revenue and manual journals posted as part of the financial statement closing process. In addition, we performed testing on a sample of manual journals based on fraud risk criteria such as journals posted by unauthorised personnel and to unusual accounts. We performed test of details on revenue recognition by agreeing revenue samples to third party supporting documentation. We incorporated unpredictability into the nature, timing and extent of our testing.
- Based on this understanding we designed our audit procedures to identify known or suspected instances of noncompliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance and management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with regulators, reviewing internal audit reports and minutes of the Board and sub-committee meetings. We considered the results of our audit procedures to either corroborate or provide contrary evidence, including identifying any unusual transactions, which was then followed up.
- The company is a regulated entity under the supervision of the Financial Conduct Authority. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

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.

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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
23 April 2020

Jane Street Financial Limited

Statement of Comprehensive Income

As at 31 December 2020

	Note	2020 $000	2019 $000
Revenues	2	265,333	228,946
Administrative expenses		(188,533)	(183,269)
Operating profit on ordinary activities before interest and taxation	3	76,800	45,677
Other income	4	312	-
Interest income	5	175	498
Profit on ordinary activities before taxation		77,287	46,175
Tax on profit on ordinary activities	6	(18,739)	(10,009)
Profit for the financial year		**58,548**	**36,166**

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 20 form an integral part of these financial statements.

Jane Street Financial Limited

Statement of Financial Position

As at 31 December 2020

	Note	2020 $000	2019 $000
Fixed Assets			
Intangible assets	9	83	410
Tangible assets	10	99	177
		182	587
Current assets			
Debtors	11	144,420	3,888,495
Financial assets at fair value	12	97,746	123,518
Inventories	13	40	52
Cash and cash equivalents	14	188,032	45,187
		430,238	4,057,252
Creditors: amounts falling due within one year			
Creditors	15	(228,359)	(3,910,732)
Financial liabilities at fair value	16	(4,866)	(3,460)
		(233,225)	(3,914,192)
Net current assets		197,013	143,060
Net assets		**197,195**	**143,647**
Capital and reserves			
Called up share capital	19	52,000	22,000
Profit and loss account		145,195	121,647
Total equity		**197,195**	**143,647**

Approved by the Board of Directors on 22 April 2021 and signed on its behalf by:

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J S Mackenzie

Director

The notes starting on page 20 form an integral part of these financial statements.

Jane Street Financial Limited

Statement of Changes in Equity

Year Ended 31 December 2020

	Note	Called up share capital $000	Profit and loss account $000	Total equity $000
As at 1 January 2019		22,000	126,481	148,481
Dividend declared and paid	22		(41,000)	(41,000)
Profit for the year			36,166	36,166
As at 31 December 2019		**22,000**	**121,647**	**143,647**
Dividend declared and paid	22		(35,000)	(35,000)
Share capital allotted	19	30,000		30,000
Profit for the year			58,548	58,548
As at 31 December 2020	19	**52,000**	**145,195**	**197,195**

The notes starting on page 20 form an integral part of these financial statements.

	Note	2020 $000	2019 $000
Reconciliation of operating profit to net cash flow from operating activities			
Profit for the financial year		58,548	36,166
Adjustments for:			
Amortisation of intangible assets	9	350	392
Depreciation of tangible assets	10	116	109
Decrease/(increase) in debtors	11	3,744,075	(1,407,696)
Decrease/(increase) in financial assets at fair value	12	25,772	(3,627)
Decrease/(increase) in inventories	13	12	(21)
(Decrease)/increase in creditors	15	(3,682,365)	1,393,894
Increase in financial liabilities at fair value	16	1,406	1,575
Net cash inflow from operating activities		147,914	20,792
Cash flow from investing activities			
Software implementation	9	(31)	(66)
Purchase of tangible assets	10	(38)	(15)
Net cash outflow from investing activities		(69)	(81)
Cash flow from financing activities			
Dividend paid	22	(35,000)	(41,000)
Issuance of ordinary share capital	19	30,000	-
Net cash outflow from financing activities		(5,000)	(41,000)
Increase/(decrease) in cash and cash equivalents		142,845	(20,289)

	Note	2020 $000	2019 $000
Reconciliation of net cash flow to movement in funds			
Increase/(decrease) in cash	14	142,845	(20,289)
Net funds as at 1 January	14	45,187	65,476
Net funds as at 31 December	14	**188,032**	**45,187**

The notes starting on page 20 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 2 & A Half, Devonshire Square, London, EC2M 4UJ.

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$").

Going concern
The Directors present these financial statements on a going concern basis for the 12 month period from the date of the Directors' report. Having considered the Company's risk management approaches, the financial position and performance of the Company and the continuing assessment of COVID-19 and its impact to the Company and the Group, 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.

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. 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.

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.

Accounting policies (continued)

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 income 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 accruals 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 and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term investments with an original maturity date of three months or less. Cash at banks 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.

1 Accounting policies (continued)

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.

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 11 and 15 respectively, include cash, broker payables and receivables, and amounts related to securities transactions that have not settled as at 31 December 2020.

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.

	2020 $000	2019 $000
Amounts charged to JSIT	273,918	240,873
Amounts charged to JSAC	11,147	1,139
Net trading income		
Principal and matched principal transactions	29,337	20,619
Commission expenses and other fees	(47,714)	(32,817)
Interest and dividends	(1,355)	(868)
	265,333	228,946

3 Operating profit

Operating profit is stated after charging/(crediting):

	2020 $000	2019 $000
Amortisation of intangible assets (see note 9)	350	392
Depreciation of tangible assets (see note 10)	116	109
Operating lease rentals - buildings*	(930)	3,542
Loss on foreign currency revaluation	-	27
Auditor's remuneration		
Audit of the financial statements	118	85
Other fees to auditor		
Audit related assurance services	19	99
Non audit related services	14	-
Taxation advisory services	18	35
Total fees to auditor	169	219

*The corresponding leases are in the name of JSE. The 2020 rent expense is offset by a one time adjustment of $2,906,747 in respect of the termination of the lease of office space at 20 Fenchurch Street.

4 Other income

	2020 $000	2019 $000
Gain on foreign currency revaluation	312	-
	312	-

5 Interest income

	2020 $000	2019 $000
Bank interest receivable	164	498
Other interest receivable	11	-
	175	498

6 Tax on profit on ordinary activities

(a) Analysis of tax charge

	2020 $000	2019 $000
Current tax		
UK corporation tax charge	14,985	8,998
UK corporation tax bank surcharge	3,745	1,237
Foreign exchange on current tax balances	237	(115)
Foreign tax	7	6
Total current tax charge	18,974	10,126
Deferred tax		
Origination and reversal of timing differences	(160)	(135)
Effect of changes in tax rates	(75)	18
Total deferred tax charge	(235)	(117)
Total tax on profit on ordinary activities	18,739	10,009

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.

6 Tax on profit on ordinary activities (continued)

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

	2020 $000	2019 $000
Profit on ordinary activities before taxation	77,287	46,175
Corporation tax at standard rate of 19% (2019: 19%)	14,685	8,773
UK corporation tax bank surcharge	3,745	1,237
Expenses not deductible for tax purposes	147	96
Effect of changes in tax rates	(75)	18
Foreign tax	7	6
Foreign tax credits taken against UK corporation tax	(7)	(6)
Current year foreign exchange adjustments	237	(115)
Total tax	18,739	10,009

(c) Factors that may affect future tax charges

A reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020 was substantively enacted in the Finance Act 2016. During the year ended 31 December 2020, the UK Government substantively enacted legislation to cancel this reduction and the UK corporation tax rate would remain at 19%.

Since the balance sheet date, on 3 March 2021, the UK Government announced an intention to increase the main rate to 25% from 1 April 2023. This change has not been substantively enacted by the balance sheet date. The UK Government has also announced a review of the current surcharge rate of 8% to ensure that the combined rate of Corporation tax does not increase substantially from its current level when the proposed change to the main UK corporation tax rate comes into effect. Therefore, the company has not made an estimate of the impact of the post balance sheet change in the main UK Corporation tax rate on the basis that it is unable to do so because it is currently uncertain what the combined rate of Corporation tax, applicable to entities subject to the surcharge from 1 April 2023, will be.

Deferred tax balances at 31 December 2020 have been calculated at a rate of 23.6% (2019: 21.6%) with reference to substantively enacted rates as at 31 December 2020 and reflect the average rates (including bank surcharge) at which the timing differences are expected to reverse.

6 Tax on profit on ordinary activities (continued)

The deferred tax asset comprises:

	2020 $000	2019 $000
Timing differences between depreciation and capital allowances	49	34
Other short term timing differences	573	353
Asset as at 31 December	622	387

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 $15,000 (2019: $10,000), relating to the reversal of short term timing differences. Capital allowances will be received in 2021 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.

7 Directors' remuneration

	2020 $000	2019 $000
Remuneration (including benefits in kind)	5,233	8,385
Company contributions to pension / retirement plans	1	26
Total Directors' remuneration	5,234	8,411

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

	2020 $000	2019 $000
Remuneration (including benefits in kind)	1,804	3,696
Total Director's remuneration	1,804	3,696

7 Directors' remuneration (continued)

The Directors of the Company are remunerated by other entities within the Group. Directors' remuneration is allocated to the Company 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 to the Company as previously disclosed. Of the Directors who served during the year ending 31 December 2020, three (2019: 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.

8 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:

	2020	2019
Trading	117	92
Technology	119	96
Infrastructure	85	68
Total average headcount	321	256

The aggregate payroll costs were as follows:

	2020 $000	2019 $000
Salaries, allowances and benefits in kind	109,201	112,386
Social security costs	12,353	12,371
Staff pension / retirement plan costs	1,393	1,953
Total payroll costs	122,947	126,710

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

8 Staff costs (continued)

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 the the Company as previously disclosed. The amount charged against profit includes contributions by other Group entities on behalf of the Company of $1,392,965 (2019: $1,953,205). Contributions are paid by other Group entities and therefore any unpaid contributions at the year end are recognised in their accounts.

9 Intangible assets

	Software $000
Cost	
At 31 December 2019	1,368
Additions	23
At 31 December 2020	1,391
Amortisation	
At 31 December 2019	958
Charge for the year	350
At 31 December 2020	1,308
Net book value	
At 31 December 2019	410
At 31 December 2020	83

10 Tangible assets

	Computer Equipment $000
Cost	
At 31 December 2019	441
Additions	38
At 31 December 2020	479
Depreciation	
At 31 December 2019	264
Charge for the year	116
At 31 December 2020	380
Net book value	
At 31 December 2019	177
At 31 December 2020	99

11 Debtors

	2020 $000	2019 $000
Amounts due from brokers		
Trade debtors*	37,972	34,857
Amounts awaiting settlement	101,386	3,847,780
Other debtors		
Amounts due from Group undertakings	2,938	4,043
Corporation tax receivable	-	1
VAT receivable	1,502	1,427
Deferred tax asset	622	387
Total debtors	144,420	3,888,495

No assets are past due or impaired as at 31 December 2020.

*As at 31 December 2020, Amounts awaiting settlement for which the right to set off exists are net within Trade debtors. See note 1 Accounting policies for additional information.

12 Financial assets at fair value

	2020 $000	2019 $000
Equity instruments*	92,692	3,167
Debt securities*	-	118,882
Derivative financial assets	5,054	1,469
	97,746	123,518

*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.

13 Inventories

	2020 $000	2019 $000
Physical metals	40	52
	40	52

14 Analysis of net funds

	At 1 January 2020 $000	Cash flow $000	Change in market value $'000	At 31 December 2020 $000
Cash at bank	45,187	7,354	-	52,541
Cash equivalents	-	134,840	651	135,491
Total net funds	45,187	142,194	651	188,032

15 Creditors

	2020 $000	2019 $000
Amounts due to brokers		
Trade creditors*	99,600	785,516
Amounts awaiting settlement	108,757	3,093,778
Other creditors		
Amounts due to Group undertakings	19,408	29,949
Corporation tax payable	6	-
Accruals	588	1,489
Total creditors	228,359	3,910,732

*As at 31 December 2020, Amounts awaiting settlement for which the right to set off exists are net within Trade creditors. See note 1 Accounting policies for additional information.

16 Financial liabilities at fair value

	2020 $000	2019 $000
Equity instruments	-	1,848
Derivative financial liabilities	4,866	1,612
	4,866	3,460

17 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.

	2020 $000	Level 1 $000	Level 2 $000
Assets measured at fair value			
Equity instruments	92,692	92,692	-
Derivative financial assets	5,054	-	5,054
	97,746	92,692	5,054
Liabilities measured at fair value			
Derivative financial liabilities	4,866	-	4,866
	4,866	-	4,866

	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

18 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**
2020		
One hundred basis point increase in interest rates	100bps	(141)
One hundred basis point decrease in interest rates	(100bps)	141

	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

Equity price risk

The Company holds equities and OTC equity derivatives. At 31 December 2020, 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 (2019: 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.

18 Financial instrument risk exposures (continued)

Equity price risk (continued)	**Change in MSCI EM Index**	**Effect on profit before tax and equity $000**
2020		
Twelve percent increase in MSCI EM Index	12%	188
Twelve percent decrease in MSCI EM Index	(12%)	(188)

	Change in MSCI DV Index	**Effect on profit before tax and equity $000**
2020		
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**
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%)	-

18 Financial instrument risk exposures (continued)

Foreign currency risk

At 31 December 2020, the Company was long EM currency exposure and short DV currency exposure (2019: 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**
2020		
Eight percent increase in EM vs USD	8%	121
Eight percent decrease in EM vs USD	(8%)	(121)

	Change in DV vs USD	**Effect on profit before tax and equity $000**
2020		
Four percent increase in DV vs USD	4%	332
Four percent decrease in DV vs USD	(4%)	(332)

	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

18 Financial instrument risk exposures (continued)

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.

	2020
	$000
Credit rating	
AAA to AA-	189,058
A+ to BBB-	8,180
Unrated	6,600

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

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2020 and 2019 according to when they are expected to be realised or settled, based on contractual undiscounted payments.

	On demand	Due within 6 months	Total
	$000	$000	$000
2020			
Derivative financial liabilities	-	4,866	4,866
Amounts due to brokers	-	208,357	208,357
Amounts owed to Group undertakings	19,408	-	19,408
Accruals and other payables	588	-	588
Corporate tax payable	6	-	6
	20,002	213,223	233,225

18 Financial instrument risk exposures (continued)

Liquidity risk (continued)

	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

Other risks

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 manages shareholders' equity. As at 31 December 2020, the total shareholders' equity was $197,194,650 (2019: $143,647,316).

19 Share capital

	No. in 000's	2020 $000	No. in 000's	2019 $000
Allotted, called up and fully paid				
Ordinary shares of $1.00 each	52,000	52,000	22,000	22,000

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.

20 Related party transactions

Included within the Statement of Financial Position are the following amounts (see notes 11 and 15):

	2020 $000	2019 $000
Amounts due from Group undertakings	2,938	4,043
Amounts due to Group undertakings	(19,408)	(29,949)

The key management personnel ("KMP") of the Company are remunerated by other entities within the Group. This remuneration is allocated to the Company on the basis o f 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 $5,336,896 (2019: $8,822,477).

21 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.

22 Dividends

	2020 $000	2019 $000
Declared and paid during the year		
Final dividend for 2018	-	5,000
Interim dividends for 2019	-	36,000
Interim dividends for 2020	35,000	-
	35,000	41,000

23 Post balance sheet events

On 12 January 2021 the Directors approved the payment of a further dividend of $5,000,000 to its Parent which was paid on 21 January 2021.

On 2 March 2021 the Directors approved the payment of a further dividend of $6,000,000 to its Parent which was paid on 8 March 2021.

24 Country-by-country reporting

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 6).

Year ended 31 December 2020

Location	Revenue $000	Number of employees	Profit before taxation $000	Corporation tax paid $000	Subsidies received $000
UK	264,931	321	77,268	18,968	-
Germany	402	-	19	6	-
Total	265,333	321	77,287	18,974	-

24 Country-by-country reporting (continued)

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	-