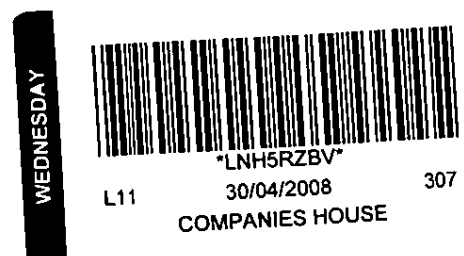


JIT SECURITIES LIMITED

Report and Accounts

For the year ended 30th June 2007

Registered No 3955372



JIT SECURITIES LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended 30th June 2007

RESULTS AND DIVIDENDS

The Income Statement on page 4 gives details of the results for the year. The Directors do not recommend payment of a final dividend.

The Company is a wholly owned subsidiary of New Star Investment Trust PLC.

In accordance with Sections 252 and 366A of the Companies Act 1985, resolutions to dispense with the obligations to lay Financial Statements before the members in general meetings and to hold Annual General Meeting were passed on 21st September 2001.

Accordingly the circulation of these Financial Statements to shareholders will be deemed to comply with the Company's obligation under Section 235 of the Companies Act 1985 to send copies of the Annual Financial Statements to members of the Company.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is to carry on business as an investment company. A full review of the Group's business can be found in the Business Review at page 11 of New Star Investment Trust PLC's (the Company's parent) Report and Accounts for the year ended 30th June 2007.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were as follows:

Martin Boase (*resigned 16th November 2006*)
Geoffrey Howard-Spink
James K Roe (*appointed 16th November 2006*)
John L Duffield (*appointed 16th November 2006*)
Marcus J Gregson (*appointed 21 February 2007*)

There are no Directors' interests to be disclosed under the Companies Act 1985. In accordance with Article 20 of the Articles of Association none of the Directors in office at the year end are required to retire. The interests of the Directors in the Share Capital of the Parent Company are shown in the Financial Statements of that Company.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

In accordance with Section 386 of the Companies Act 1985 a resolution to dispense with the obligation to appoint Auditors annually was passed on 21st September 2001. Accordingly Ernst & Young LLP shall be deemed to have been reappointed as Auditors from 1st July 2007.

BY ORDER OF THE BOARD


NEW STAR ASSET MANAGEMENT LIMITED
Secretary

29 April 2008

Registered Office:
New Star Asset Management, 1 Knightsbridge Green, London SW1X 7NE

JIT SECURITIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United kingdom law and those International Financial Reporting Standards as adopted by the European Union

The Directors are required to prepare financial statements for each financial year which present fairly the position of the Company for that period In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- Provide additional disclosures when compliance with specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance,
- State that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business

The Directors confirm that the Financial Statements comply with the above requirements

The Directors are responsible for keeping proper accounting records which are sufficient to disclose with reasonable accuracy, at any time, the financial position of the Company and which enable the Directors to ensure that the Financial Statements comply with the Companies Act 1985 The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities

JIT SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JIT SECURITIES LIMITED

We have audited the financial statements of JIT Securities for the year ended 30th June 2007 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, and the related notes 1 to 8. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Financial Statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors report is consistent with the financial statements

Ernst & Young LLP

ERNST & YOUNG LLP

Registered Auditor

London

29 April 2008

JIT SECURITIES LIMITED

INCOME STATEMENT

for the year ended 30th June 2007

	2007 Total £'000	2006 Total £'000
Other Operating Income	<u>32,530</u>	<u>132</u>
Total Income	<u>32,530</u>	<u>132</u>
GAINS AND LOSSES ON INVESTMENTS		
Gain on forward currency purchase	707,840	307,152
Exchange (loss)/gain on revaluation of balances	<u>(247)</u>	<u>216</u>
PROFIT BEFORE TAX	740,123	307,500
Tax	<u>(153,097)</u>	<u>-</u>
PROFIT FOR YEAR	<u><u>587,026</u></u>	<u><u>307,500</u></u>

Turnover and operating profit all derive from continuing operations

The notes on pages 8 to 9 form part of these Financial Statements

JIT SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 30th June 2007

	Share capital £	Retained earnings £	Total shareholders' funds £
At 1st July 2006	1	(203,656)	(203,655)
Retained profit for the year	-	587,026	587,026
	<hr/>	<hr/>	<hr/>
At 30th June 2007	<u>1</u>	<u>383,370</u>	<u>383,371</u>

STATEMENT OF CHANGES IN EQUITY

for the year ended 30th June 2006

	Share capital £	Retained earnings £	Total shareholders' funds £
At 1st July 2005	1	(511,156)	(511,155)
Retained profit for the year	-	307,500	307,500
	<hr/>	<hr/>	<hr/>
At 30th June 2006	<u>1</u>	<u>(203,656)</u>	<u>(203,655)</u>

The notes on pages 8 to 9 form part of these Financial Statements

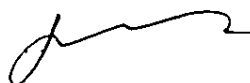
JIT SECURITIES LIMITED

BALANCE SHEET

At 30th June 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Forward currency purchase	6	217,697	701,385
Other receivables		4,796	15
Cash and cash equivalents		<u>1,228,516</u>	<u>9,486</u>
		1,451,009	710,886
CURRENT LIABILITIES			
Other payables	3	153,097	-
Amounts due to parent undertaking	8	<u>914,541</u>	<u>914,541</u>
		1,067,638	914,541
NET ASSETS / (LIABILITIES)		<u>383,371</u>	<u>(203,655)</u>
ATTRIBUTABLE TO EQUITY HOLDERS			
Share capital	4	1	1
Retained earnings	5	<u>383,370</u>	<u>(203,656)</u>
TOTAL EQUITY		<u>383,371</u>	<u>(203,655)</u>

These Financial Statements were approved by the Board and authorised for issue on the 29 April 2008



James K Roe, Director

The notes on pages 8 to 9 form part of these Financial Statements

JIT SECURITIES LIMITED

CASH FLOW STATEMENT

For the year to 30th June 2007

	2007 £	2006 £
Cash flows from operating activities		
Profit before taxation	32,530	132
Adjust for		
Increase in other receivables	<u>(4,781)</u>	<u>(15)</u>
Net cash inflow from operating activities	<u><u>27,749</u></u>	<u><u>117</u></u>

Reconciliation of net cash inflow to movement in cash balances

Net increase in cash	27,749	117
Net cash at 1 July	9,486	9,153
Forward currency realised gain	1,191,528	-
Effect of foreign exchange rate changes	<u>(247)</u>	<u>216</u>
Net cash at 30th June	<u><u>1,228,516</u></u>	<u><u>9,486</u></u>

Analysis of net funds

	At 30th June 2006 £	Cash Flow £	Movement in loans £	Forward Currency Gain £	Exchange Gain £	At 30th June 2007 £
Cash and cash equivalents	9,486	27,749	-	1,191,528	(247)	1,228,516

The notes on pages 8 to 9 form part of these Financial Statements

JIT SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30th June 2007

1 ACCOUNTING POLICIES

In line with the Company's parent, the Financial Statements for the year ended 30th June 2007 have been prepared in accordance with International Financial Reporting Standards. These comprise standards and interpretations approved by the International Accounting Standards Board, together with the interpretations of the International Accounting Standards and Standing Interpretations Committee that remain in effect, and to the extent that they have been adopted by the European Union.

(a) BASIS OF PREPARATION

These financial statements are presented in pounds sterling being the currency of the primary economic environment in which the Company operates, rounded to the nearest pound.

The going concern principle has been applied on the assumption that New Star Investment Trust PLC will provide financial support to the Company.

The gain on forward currency purchase of £307,152 recognised through the statement of changes in equity for the year ended 30 June 2006 has been reclassified to the profit and loss account. This has no effect on other retained earnings or net assets for that year.

(b) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

(c) INCOME RECEIVABLE

Investment income includes bank interest receivable from cash balances. Bank deposit interest is accounted for on an accruals basis.

(d) TAXATION

The charge for taxation is based on taxable income for the year. Withholding tax deducted from income received is treated as part of the taxation charge against income. Taxation deferred or accelerated can arise due to timing differences between treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation under the liability method on all timing differences not reversed by the Balance Sheet date.

(e) FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Foreign currency transactions are translated at the rates of exchange applicable at the transaction date. Foreign currency differences including exchange gains and losses are dealt with in the profit and loss account.

2 DIRECTORS REMUNERATION AND EMPLOYMENT COSTS

The Directors received no emoluments in respect of their services to the Company. No director has a contract of service with the Company. The Company has no other employees.

3 TAXATION

	2007 £	2006 £
Corporation Tax	<u>153,097</u>	<u>-</u>
Analysis of tax charge for the year	2007 £	2006 £
Profit before tax	<u>740,123</u>	<u>307,500</u>
Tax at the UK corporation tax rate of 30% (2006 30%)	222,037	92,250
Utilisation of losses b/wd	(63,028)	-
Small Companies relief	(5,912)	-
Utilised losses b/wd	-	(92,250)
Total tax for year	<u>153,097</u>	<u>-</u>

4 SHARE CAPITAL

	2007 £	2006 £
Authorised 1,000 Ordinary shares of £1	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid 1 Ordinary share of £1	<u>1</u>	<u>1</u>

JIT SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30th June 2007

5 RESERVES

	Retained Revenue 2007 £	Retained Revenue 2006 £
At 1 July 2006	(203,656)	(511,156)
Retained net profits	<u>587,026</u>	<u>307,500</u>
At 30th June 2007	<u>383,370</u>	<u>(203,656)</u>

6 FORWARD CURRENCY CONTRACTS

The Directors may authorise the Investment Manager to hedge currency risk in appropriate circumstances. During the year under review, the Investment Manager entered into a forward currency contract. In view of the parent company's exposure to the US dollar by investing in funds many of whose assets and/or revenues are related to the dollar, though it was thought appropriate to hedge a part of this exposure.

During the year under review, the Company entered into a forward currency contract in order to hedge the Parent Company's exposure to the US dollar. In November 2006, the Company sold approximately \$20 million for sterling for settlement in one year. This contract resulted in the forward sale of US dollars for sterling and is of one year's duration. At 30th June 2007 the unrealised gain on this contract was £217,697 (2006 unrealised gain on the contract to sell \$17 million of £701,385). In addition, contracts entered into in November 2005 were settled during the year, resulting in a total realised gain of £1,191,528. The net gain for the year to 30th June 2007 (2006 net gain of £307,152) is summarised below.

	£	£
Gain on open contracts brought forward, realised during the year		1,191,528
Less unrealised gain recognised in prior year		(701,385)
Unrealised gain on forward currency contract open at 30th June 2007		
Forward contracts sold	(9,782,303)	
Forward contracts bought	<u>10,000,000</u>	
		<u>217,697</u>
Net gain recognised in year to 30th June 2007		<u>707,840</u>

7 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of New Star Investment Trust PLC, which is registered in England and Wales. The consolidated Financial Statements are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ. The consolidated Financial Statements are also available on the New Star Asset Management website, <http://www.newstaram.com> at no cost.

8 RELATED PARTY TRANSACTIONS

During the year to 30th June 2006, the Company received funding from its parent, New Star Investment Trust PLC, in order to finance its continued trading activity. The funding was received on an unsecured, interest free basis. At 30th June 2007, there remained an outstanding balance of £914,541 owing to the parent (2006 £914,541).