

JIT SECURITIES LIMITED

Report and Accounts **For the year ended 30 June 2008**

Registered No. **3955372**

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JIT SECURITIES LIMITED

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year ended 30 June 2008.

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.

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 pages 12 to 15 of New Star Investment Trust PLC's (the Company's parent) Report and Accounts for the year ended 30 June 2008.

DIRECTORS AND THEIR INTERESTS

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

James K Roe
John L Duffield
Marcus J Gregson
Geoffrey Howard-Spink

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 21 September 2001. Accordingly Ernst & Young LLP shall be deemed to have been reappointed as Auditors from 1 July 2008.

BY ORDER OF THE BOARD

NEW STAR ASSET MANAGEMENT LIMITED
Secretary

25 February 2009

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

For and on behalf of
New Star Asset Management
Limited Secretary



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 ("IFRS") 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 IFRS 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 IFRS, 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 30 June 2008 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 ('IFRS') as adopted by the European Union are set out in the Statement 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 IFRS as adopted by the European Union, of the state of the Company's affairs as at 30 June 2008 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

25 February 2009

JIT SECURITIES LIMITED

INCOME STATEMENT

for the year ended 30 June 2008

	2008 Total £'000	2007 Total £'000
Other operating income	72,749	32,530
Total income	72,749	32,530
GAINS AND LOSSES ON INVESTMENTS		
(Loss)/gain on forward currency purchase	(23,782)	707,840
Exchange loss on revaluation of balances	(2,084)	(247)
PROFIT BEFORE TAX	46,883	740,123
Tax	33,794	(153,097)
PROFIT FOR YEAR	80,677	587,026

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 30 June 2008

	Note	Share capital £	Retained earnings £	Total shareholders' funds £
At 30 June 2007		1	383,370	383,371
Retained profit for the year		-	80,677	80,677
		<hr/>	<hr/>	<hr/>
At 30 June 2008		<u>1</u>	<u>464,047</u>	<u>464,048</u>

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2007

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

The notes on pages 8 to 9 form part of these financial statements.

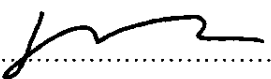
JIT SECURITIES LIMITED

BALANCE SHEET

At 30 June 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Forward currency purchase	6	-	217,697
Other receivables		39,516	4,796
Cash and cash equivalents		<u>1,677,836</u>	<u>1,228,516</u>
		<u>1,717,352</u>	<u>1,451,009</u>
CURRENT LIABILITIES			
Forward currency purchase	6	338,763	-
Other payables		-	153,097
Amounts due to parent undertaking	8	<u>914,541</u>	<u>914,541</u>
		<u>1,253,304</u>	<u>1,067,638</u>
NET ASSETS			
		<u><u>464,048</u></u>	<u><u>383,371</u></u>
ATTRIBUTABLE TO EQUITY HOLDERS			
Share capital	4	1	1
Retained earnings:	5	<u>464,047</u>	<u>383,370</u>
TOTAL EQUITY		<u><u>464,048</u></u>	<u><u>383,371</u></u>

These financial statements were approved by the Board and authorised for issue on the 25 February 2009.

 James K Roe

The notes on pages 8 to 9 form part of these financial statements.

JIT SECURITIES LIMITED

CASH FLOW STATEMENT

For the year to 30 June 2008

	2008 £	2007 £
Cash flows from operating activities		
Profit before taxation	46,883	740,123
Adjust for:		
Increase in other receivables	(926)	(4,781)
Taxation paid	(153,097)	-
(Loss)/gain on forward currency purchase	23,782	(707,840)
Exchange loss on revaluation of balances	2,084	247
Net cash (outflow)/inflow from operating activities	(81,274)	27,749

Reconciliation of net cash inflow to movement in cash balances

Net increase in cash	(81,274)	27,749
Net cash at 1 July	1,228,516	9,486
Forward currency realised gain	532,678	1,191,528
Effect of foreign exchange rate changes	(2,084)	(247)
Net cash at 30 June	1,677,836	1,228,516

Analysis of net debt

	At 30 June 2007 £	Cash Flow £	Movement in loans £	Forward Currency Gain £	Exchange Gain £	At 30 June 2008 £
Cash and cash equivalents	1,228,516	(81,274)	-	532,678	(2,084)	1,677,836

The notes on pages 8 to 9 form part of these financial statements.

JIT SECURITIES LIMITED

NOTES TO THE financial statements - 30 June 2008

1. ACCOUNTING POLICIES

In line with the Company's parent, the financial statements for the year ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards ('IFRS'). These comprise standards and interpretations of the International Accounting Standards and Standing Interpretations Committee ('IASC') 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 Group 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 provide financial support to the Company.

(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 for 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 including exchange gains and losses are dealt with in the Income Statement.

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 services with the Company. The Company has no other employees.

3. TAXATION

Analysis of tax charge for the year:	2008 £	2007 £
Corporation tax	<u>(33,794)</u>	<u>153,097</u>
Profit before tax	<u>46,883</u>	<u>740,123</u>
Tax at the UK corporation tax rate of 30% (2007: 30%)	10,549	222,037
Tax at the UK corporation tax rate of 28% (2007: 30%)	3,282	
Utilisation of losses bfwd	-	(63,028)
Small Companies relief	-	(5,912)
Transfer pricing adjustment on interest free loan	(13,831)	-
Adjustments in respect of prior periods	<u>(33,794)</u>	<u>-</u>
Total tax for year	<u>(33,794)</u>	<u>153,097</u>

JIT SECURITIES LIMITED

NOTES TO THE financial statements - 30 June 2008

4. SHARE CAPITAL

	2008 £	2007 £
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>

5. RESERVES

	Retained Revenue 2008 £	Retained Revenue 2007 £
At 1 July 2007	383,370	(203,656)
Retained net profits	<u>80,677</u>	<u>587,026</u>
At 30 June 2008	<u>464,047</u>	<u>383,370</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, it was thought appropriate to hedge 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 2007, 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 30 June 2008 the unrealised loss on this contract was £338,763 (2007: unrealised gain on the contract to sell \$20 million of £217,697). In addition, contracts entered into in November 2006 were settled during the year, resulting in a total realised gain of £523,678.

The net loss for the year to 30 June 2008 (2007: net gain of £707,840) is summarised below:

	£	£
Gain on open contracts brought forward, realised during the year		532,678
Less: unrealised gain recognised in prior year		(217,697)
Unrealised loss on forward currency contract open at 30 June 2008:		
Forward contracts sold	(20,688,542)	
Forward contracts bought	<u>20,349,779</u>	
		<u>(338,763)</u>
Net loss recognised in year to 30 June 2008		<u>(23,782)</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, Maindy, 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 30 June 2008, 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 30 June 2008, there was an outstanding balance of £914,541 owing to the parent (2007: £914,541).