

# **JIT SECURITIES LIMITED**

## **Report and Accounts**

**For the year ended 30 June 2009**

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 2009.

### **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 on pages 12 to 17 of New Star Investment Trust PLC's (the Company's parent) Report and Accounts for the year ended 30 June 2009.

### **DIRECTORS AND THEIR INTERESTS**

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

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

There are no Directors' interests to be disclosed under the Companies Act 2006. 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 485 of the Companies Act 2006 the Company has passed a resolution to dispense with the obligation to appoint auditors annually. Accordingly Ernst & Young LLP shall be deemed to have been reappointed as auditors from 1 July 2009.

For and on behalf of the Board of Directors



Geoffrey Howard-Spink  
Chairman

14 October 2009

**Registered Office:**  
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 ('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 2006. 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.

For and on behalf of the Board of Directors



Geoffrey Howard-Spink  
Chairman

14 October 2009

# **JIT SECURITIES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JIT SECURITIES LIMITED**

We have audited the financial statements of the Company for the year ended 30 June 2009 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Sections 495 and 496 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 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**

As explained more fully in the Directors' Responsibility Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion of other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches 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.

*Ernst & Young LLP*

*Caroline Gulliver (Senior statutory auditor)*

*for and on behalf of Ernst & Young LLP, Statutory Auditor*

London

14 October 2009

# JIT SECURITIES LIMITED

## INCOME STATEMENT

for the year ended 30 June 2009

	Note	2009 Total £	2008 Total £
Other operating income		<u>29,776</u>	<u>72,749</u>
Total income		<u>29,776</u>	<u>72,749</u>
<b>GAINS AND LOSSES ON INVESTMENTS</b>			
Gain/(Loss) on forward currency purchase	6	77	(23,782)
Exchange gain/(loss) on revaluation of balances		<u>737</u>	<u>(2,084)</u>
<b>PROFIT BEFORE TAX</b>		<b>30,590</b>	<b>46,883</b>
Tax	3	<u>-</u>	<u>33,794</u>
<b>PROFIT FOR YEAR</b>		<b><u>30,590</u></b>	<b><u>80,677</u></b>

*Turnover and operating profit all derive from continuing operations.*

*The notes on pages 8 to 10 form part of these financial statements.*

## JIT SECURITIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

	Share capital £	Retained earnings £	Total shareholders' funds £
At 30 June 2008	1	464,047	464,048
Retained profit for the year	-	30,590	30,590
	<hr/>	<hr/>	<hr/>
At 30 June 2009	<u>1</u>	<u>494,637</u>	<u>494,638</u>

### STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2008

	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>

*The notes on pages 8 to 10 form part of these financial statements.*


# JIT SECURITIES LIMITED

## BALANCE SHEET

At 30 June 2009

	Note	2009 £	2008 £
<b>CURRENT ASSETS</b>			
Other receivables		33,887	39,516
Cash and cash equivalents		<u>1,375,292</u>	<u>1,677,836</u>
		<b>1,409,179</b>	<b>1,717,352</b>
<b>CURRENT LIABILITIES</b>			
Forward currency purchase	6	-	338,763
Amounts due to parent undertaking	8	<u>914,541</u>	<u>914,541</u>
		<b>914,541</b>	<b>1,253,304</b>
<b>NET ASSETS</b>			
		<u><b>494,638</b></u>	<u><b>464,048</b></u>
<b>ATTRIBUTABLE TO EQUITY HOLDERS</b>			
Share capital	4	1	1
Retained earnings	5	<u>494,637</u>	<u>464,047</u>
<b>TOTAL EQUITY</b>		<u><b>494,638</b></u>	<u><b>464,048</b></u>

These financial statements were approved by the Board and authorised for issue on 14 October 2009.

 Geoffrey Howard-Spink

*The notes on pages 8 to 10 form part of these financial statements.*

# JIT SECURITIES LIMITED

## CASH FLOW STATEMENT

For the year to 30 June 2009

	Note	2009 £	2008 £
<b>Cash flows from operating activities</b>			
Profit before taxation		30,590	46,883
Adjust for:			
Decrease/(increase) in other receivables		5,629	(926)
Taxation paid		-	(153,097)
(Gain)/loss on forward currency purchase	6	(77)	23,782
Exchange (gain)/loss on revaluation of balances		<u>(737)</u>	<u>2,084</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<u><b>35,405</b></u>	<u><b>(81,274)</b></u>

### Reconciliation of net cash inflow to movement in cash balances

Net increase/(decrease) in cash	35,405	(81,274)
Net cash at 1 July	1,677,836	1,228,516
Forward currency realised (loss)/gain	(338,686)	532,678
Effect of foreign exchange rate changes	<u>737</u>	<u>(2,084)</u>
<b>Net cash at 30 June</b>	<u><b>1,375,292</b></u>	<u><b>1,677,836</b></u>

### Analysis of net debt

	At 30 June 2008	Cash Flow	Forward Currency Loss	Exchange Gain	At 30 June 2009
	£	£	£	£	£
Cash and cash equivalents	1,677,836	35,405	(338,686)	737	1,375,292

*The notes on pages 8 to 10 form part of these financial statements.*



# JIT SECURITIES LIMITED

## NOTES TO THE financial statements - 30 June 2009

### 1. ACCOUNTING POLICIES

In line with the Company's parent, the financial statements for the year ended 30 June 2009 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 Company operates, rounded to the nearest pound.

#### (b) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investment 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 temporary differences between treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation under the liability method on all temporary 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 Income Statement.

#### (f) ACCOUNTING DEVELOPMENTS

The following standards have been issued but are not yet effective:

IFRS 1 First Time Adoption of International Financial Reporting Standards (amendment)

IFRS 8 Operating Segments

IAS 1 Presentation of Financial Statements (revised)

IAS 23 Borrowing Costs (amendment)

IAS 27 Consolidated and Separate Financial Statements (revised)

IAS 32 Financial Instruments: Presentation (amendment)

IAS 39 Financial Instruments: Recognition and Measurement (amendment)

The following interpretations are mandatory for accounting periods beginning on or after 1 January 2009:

IFRIC 13 Customer Loyalty Programmes

IFRIC 15 Agreements for construction of real estates

IFRIC 16 Hedges of a net investment in a foreign operation

IFRIC 17 Distributions of Non-cash Assets to Owners

The above standards will be adopted from 1st July 2009.

The Directors anticipate that the adoption of these standards in future periods will have no material impact on the financial statements.

### 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.

# JIT SECURITIES LIMITED

## NOTES TO THE financial statements - 30 June 2009

### 3. TAXATION

	2009 £	2008 £
Corporation tax	-	(33,794)
Analysis of tax charge for the year:		
Profit before tax	30,590	46,883
Tax at the UK corporation tax rate of 30% (2008: 30%)	-	10,549
Tax at the UK corporation tax rate of 28% (2008: 28%)	8,565	3,282
Transfer pricing adjustment on interest free loan	(8,565)	(13,831)
Adjustments in respect of prior periods	-	(33,794)
Total tax for year	-	(33,794)

### 4. SHARE CAPITAL

	2009 £	2008 £
Authorised: 1,000 Ordinary shares of £1	1,000	1,000
Allotted, called-up and fully paid 1 Ordinary share of £1	1	1

### 5. RESERVES

	Retained Revenue 2009 £	Retained Revenue 2008 £
At 1 July 2008	464,047	383,370
Retained net profits	30,590	80,677
At 30 June 2009	494,637	464,047

# JIT SECURITIES LIMITED

## NOTES TO THE financial statements - 30 June 2009

### 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 a part of this exposure.

Contracts entered into in November 2007 were settled during the year, resulting in a total realised loss of £338,686. No further forward currency contracts were entered into. The net gain for the year to 30 June 2009 (2008: net loss of £23,782) is summarised below:

	£
Loss on open contracts brought forward, realised during the year	(338,686)
Add: unrealised loss recognised in prior year	<u>338,763</u>
Net gain recognised in year to 30 June 2009	<u>77</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 ([www.newstaram.com](http://www.newstaram.com)) at no cost.

### 8. RELATED PARTY TRANSACTIONS

The Company has 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 2009, there remained an outstanding balance of £914,541 owing to the parent (2008: £914,541).