

JIT SECURITIES LIMITED

Report and Accounts

For the year ended 30 June 2010

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 2010.

RESULTS AND DIVIDENDS

The Statement of Comprehensive Income 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 Chairman's Statement on pages 6 and 7 and 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 2010.

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 (retired 29.10.2009)

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 2010.

For and on behalf of the Board of Directors



Geoffrey Howard-Spink
Chairman

24 February 2011

Registered Office:

Brompton Asset Management LLP, 1 Knightsbridge Green, London SW1X 7QA

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance, and cash flows of the Company for that period. In preparing the financial statements the Directors are required to:

- Select suitable accounting policies in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors, and then apply them consistently,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- State that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements,
- 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 Company's financial position and financial performance, and
- make judgments and estimates that are reasonable and prudent.

The Directors are responsible for keeping proper accounting records which are sufficient to disclose the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the Company's financial statements comply with the Companies Act 2006. The Directors are also responsible for ensuring that the Report of the Directors is prepared in accordance with company law in the United Kingdom. They are also responsible for safeguarding the assets of the Company and for taking such steps as are reasonably open to them for the prevention and detection of fraud and other irregularities.

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 2010 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, and the related notes 1 to 9. 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 and as applied in accordance with the provisions of the Companies Act 2006.

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 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 Statement of Directors' Responsibilities 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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements have been 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 not visited by us; or
- the financial statements are not in agreement with the accounting records and returns,
- 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Caroline Gulliver

(Senior Statutory Auditor)

for and on behalf of Ernst & young LLP

Statutory Auditor

London

24 February 2011

JIT SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

	Notes	2010 Total £	2009 Total £
Other operating income		<u>1,289</u>	<u>29,776</u>
Total income		<u>1,289</u>	<u>29,776</u>
Expenses		(83)	-
GAINS AND LOSSES ON INVESTMENTS			
Gain on forward currency purchase	7	-	77
Exchange (loss)/gain on revaluation of balances		<u>(448)</u>	<u>737</u>
PROFIT BEFORE TAX		758	30,590
Tax	3	<u>-</u>	<u>-</u>
PROFIT FOR YEAR		<u>758</u>	<u>30,590</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 30 June 2010

	Share capital £	Retained earnings £	Total shareholders' funds £
At 1 July 2009	1	494,637	494,638
Retained profit for the year	-	758	758
	<hr/>	<hr/>	<hr/>
At 30 June 2010	<u>1</u>	<u>495,395</u>	<u>495,396</u>

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

	Share capital £	Retained earnings £	Total shareholders' funds £
At 1 July 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>

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

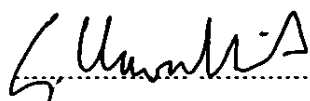
JIT SECURITIES LIMITED

BALANCE SHEET

At 30 June 2010

	Notes	2010 £	2009 £
CURRENT ASSETS			
Other receivables		27,448	33,887
Cash and cash equivalents		<u>1,382,489</u>	<u>1,375,292</u>
		1,409,937	1,409,179
CURRENT LIABILITIES			
Amounts due to parent undertaking	9	<u>(914,541)</u>	<u>(914,541)</u>
		(914,541)	(914,541)
NET ASSETS			
		<u>495,396</u>	<u>494,638</u>
ATTRIBUTABLE TO EQUITY HOLDERS			
Share capital	5	1	1
Retained earnings	6	<u>495,395</u>	<u>494,637</u>
TOTAL EQUITY		<u>495,396</u>	<u>494,638</u>

These financial statements for JIT Securities Limited (Company No: 3955372) were approved by the Board and authorised for issue on 24 February 2011, and were signed on behalf of the Directors by:

 Geoffrey Howard-Spink

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 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Profit before taxation		758	30,590
Adjust for:			
Decrease in other receivables		6,439	5,629
Gain on forward currency purchase	7	-	(77)
Exchange loss/(gain) on revaluation of balances		<u>448</u>	<u>(737)</u>
Net cash inflow from operating activities		<u><u>7,645</u></u>	<u><u>35,405</u></u>

Reconciliation of net cash inflow to movement in cash balances

Net increase in cash	7,645	35,405
Net cash at 1 July	1,375,292	1,677,836
Forward currency realised loss	-	(338,686)
Effect of foreign exchange rate changes	<u>(448)</u>	<u>737</u>
Net cash at 30 June	<u><u>1,382,489</u></u>	<u><u>1,375,292</u></u>

Analysis of net debt

	At 30 June 2009 £	Cash Flow £	Exchange Loss £	At 30 June 2010 £
Cash and cash equivalents	<u>1,375,292</u>	<u>7,645</u>	<u>(448)</u>	<u>1,382,489</u>

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

JIT SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2010

1 ACCOUNTING POLICIES

In line with the Company's parent, the financial statements for the year ended 30 June 2010 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 ('IASB') 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, the Company's functional currency, because that is 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

At the date of authorisation of these financial statements, the following Standards which have not been applied in these financial statements were in issue but were not yet effective (and in some cases had not yet been adopted by the European Union).

<u>International Accounting Standards (IAS/IFRSs)</u>		<u>Effective date</u>
IFRS 1	Amendments to IFRS 1 - Additional Exemptions for First-time Adopters	1 January 2010
IFRS 2	Amendments to IFRS 2 - Group Cash settled Share-based Payment Transactions	1 January 2010
IFRS 9	Financial Instruments: Classification & Measurement	1 January 2013
IAS 24	Related Party Disclosures (revised)	1 January 2011

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

(g) USE OF ESTIMATES

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the balance sheet and statement of comprehensive income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on the Directors' best knowledge of current facts, circumstances and, to some extent, future events and actions, the Company's actual results may ultimately differ from those estimates, possibly significantly.

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 2010

3 TAXATION

	2010 £	2009 £
Corporation tax	-	-
Analysis of tax charge for the year:		
Profit before tax	758	30,590
Tax at the UK corporation tax rate of 28% (2009: 28%)	212	8,565
Transfer pricing adjustment on interest free loan	(212)	(8,565)
Total tax for year	-	-

4 EXPENSES

The parent company has undertaken to contribute any operational costs or expenses incurred by the Company. Audit fees of £1,000 relating to the Company were paid by the parent company to Ernst & Young LLP.

5. SHARE CAPITAL

	2010 £	2009 £
Authorised: 1,000 Ordinary shares of £1	1,000	1,000
Allotted, called-up and fully paid 1 Ordinary share of £1	1	1

6 RESERVES

	Retained Revenue 2010 £	Retained Revenue 2009 £
At 1 July 2009	494,637	464,047
Retained net profits	758	30,590
At 30 June 2010	495,395	494,637

7 FORWARD CURRENCY CONTRACTS

The Directors may authorise the Investment Manager to hedge currency risk in appropriate circumstances. During the year under review, no forward currency contracts were entered into (2009: net gain of £77)

8 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 Investment Trust PLC website (www.nsitplc.com) at no cost.

9. 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 2010, there remained an outstanding balance of £914,541 owing to the parent (2009: £914,541).