

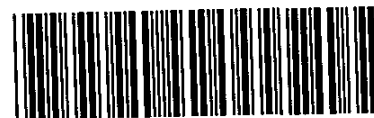
JSST SECURITIES LIMITED

Report and Accounts For The Year Ended

31 October 2011

Registered in England No 5289564

WEDNESDAY



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COMPANIES HOUSE

JSST SECURITIES LIMITED

Company Information

Directors:	G A Campbell, Chairman R N G Pavry H D Hill Lord Lamont of Lerwick
Legal form of Company	Subsidiary Company of Jupiter Second Split PLC 1 Grosvenor Place London SW1X 7JJ
Country of Residence:	United Kingdom
Country of Incorporation.	United Kingdom
Registered Office	JSST Securities Ltd. 1 Grosvenor Place London SW1X 7JJ
Telephone:	0207 412 0703
Facsimile	0207 314 4873
Auditors:	Ernst & Young LLP 1 More London Place London SE1 2AF

The Company is wholly owned by Jupiter Second Split Trust PLC with Jupiter Asset Management Limited, which is authorised by the Financial Services Authority, as the Investment Manager and Secretary.

JSST SECURITIES LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report on the affairs of JSST Securities Limited (the 'Company') together with the audited accounts for the year ended 31 October 2011

BUSINESS REVIEW

Management

The Company has no employees and most of its day-to-day responsibilities are delegated to Jupiter Asset Management Limited, who act as the Company's Investment Manager and Company Secretary.

Key Performance Indicator

At the quarterly board meetings the Directors consider the Company's key performance indicators, which are profit before tax and gains from underlying assets, in assessing the Company's success in achieving its objectives. These can be found in the Statement of Comprehensive Income on page 8

Risks and Uncertainties

The risks and uncertainties are detailed in note 6 to the accounts as is an explanation of how they are managed.

The principal risks relating to the Company can be divided into the following areas,

- **Investment policy and process**-inappropriate investment policies and processes may result in under performance
- **Market movements**-market risk arises from uncertainty about the future prices of the company's investments. As at 31 October 2011, no investments were held by the Company. During periods when investments are held, the principal risk for investors in the Company is of a significant fall in the markets and /or prolonged period of decline in markets
- **Accounting, Legal and Regulatory**- the Company is subject to various laws and regulations by virtue of its status as a Company registered under the Companies Act 2006
- **Operational**- control failures, either by the Investment Manager or any other of the Company's service providers, may result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations
- **Financial**- the financial risks faced by the Company include market price risk, interest rate risk, foreign currency risk, liquidity risk, use of derivatives, credit and counterparty risk
Further details are provided in Note 6 on pages 16 and 17.

PRINCIPAL ACTIVITIES

The principal activity of the Company is dealing in securities including Contracts for Differences

RESULTS AND DIVIDENDS

The profit for the year was £nil (2010: Profit of £634,152) During the year, no dividend was paid to the Company's parent company (2010. £nil)

DIRECTORS AND THEIR INTERESTS

The Directors during the year and at the date of this report were as follows

<i>Director</i>	<i>Date of Appointment</i>
G A Campbell	17 November 2004
P K C Gibbs (resigned on 7 March 2011)	17 November 2004
R Pavry	7 March 2011
H D Hill	25 February 2006
Lord Lamont of Lerwick	25 February 2006

The Directors' interests in the share capital of the parent undertaking are set out in the annual report of that Company.

CLOSE COMPANY STATUS

The Company is not a close Company within the provisions of the Corporation Tax Act 2010

AUDITORS

The Directors have reappointed Ernst & Young LLP as auditors for the ensuing year in accordance with Section 485 of the Companies Act 2006

AUDIT INFORMATION

The Directors are not aware of any relevant audit information of which the Company's auditors are not aware. The Directors also confirm that they have taken all the steps required of a Company Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

JUPITER ASSET MANAGEMENT LIMITED

1 Grosvenor Place

London SW1X 7JJ

Secretary

27 March 2012

For and on behalf of

JUPITER ASSET MANAGEMENT LIMITED

Secretaries



DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

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

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

- (i) select suitable accounting policies in accordance with IAS 8 Accounting Policies, changes in Accounting Estimates and Errors and then apply them consistently,
- (ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (iii) provide additional disclosures when compliance with the 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;
- (iv) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements and
- (v) make judgments and estimates that are reasonable and prudent

The Directors are responsible for keeping proper 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 that the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSST SECURITIES LIMITED

We have audited the financial statements of JSST Securities Limited for the year ended 31 October 2011 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 31 October 2011 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

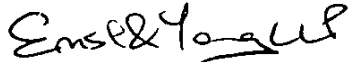
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements 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 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.



Amarjit Singh (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
27 March 2012

JSST SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2010 £
Gain on investments at fair value through profit or loss		-	239,728
Gain on Contracts for Difference		-	640,961
Interest on deposits		-	107
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		-	880,796
Interest Payable		-	(29)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	880,767
Taxation	3	-	(246,615)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	634,152

The notes on pages 12 to 18 form an integral part of these accounts

JSST SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2011

	Note	2011 £	2010 £
CURRENT ASSETS		-	-
CURRENT LIABILITIES	5	(565,157)	(565,157)
NET LIABILITIES		<u>(565,157)</u>	<u>(565,157)</u>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Retained earnings		(565,158)	(565,158)
Shareholders' funds		<u>(565,157)</u>	<u>(565,157)</u>

Approved by the Board of Directors and authorised for issue on 27 March 2012 and signed on its behalf by:


Director

The notes on pages 12 to 18 form an integral part of these accounts

Company Registration Number-5289564

JSST SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2011

	Share Capital £	Retained Earnings £	Total £
For the year ended 31 October 2011			
31 October 2010	1	(565,158)	(565,157)
Balance at 31 October 2011	<u>1</u>	<u>(565,158)</u>	<u>(565,157)</u>
For the year ended 31 October 2010			
31 October 2009	1	(1,199,310)	(1,199,309)
Net profit for the year	-	634,152	634,152
Balance at 31 October 2010	<u>1</u>	<u>(565,158)</u>	<u>(565,157)</u>

The notes on pages 12 to 18 form an integral part of these accounts

JSST SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011

	2011 £	2010 £
Cash flows from operating activities		
Purchases of investments	-	(7,477,695)
Sales of investments	-	7,717,423
Paid on contracts for difference	-	(138,355)
Deposit interest received	-	107
Amount received from parent company	246,615	245,579
	<hr/>	<hr/>
Net cash inflow from operating activities	246,615	347,059
 Interest paid	 -	 (29)
Taxation paid	(246,615)	(347,030)
	<hr/>	<hr/>
Net cash inflow before financing	-	-
 Financing activities		
Dividend paid	-	-
	<hr/>	<hr/>
Net Movement in cash	-	-
	<hr/>	<hr/>
 Change in cash and cash equivalents		
Cash and cash equivalents at start of year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at end of year	-	-
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The notes on pages 12 to 18 form an integral part of these accounts

JSST SECURITIES LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2011

1. ACCOUNTING POLICIES

The accounts comprise the financial results of the Company for the year to 31 October 2011, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounts are presented in pounds sterling, as this is the functional currency of the Company. The accounts were authorised for issue in accordance with a resolution of the Directors on 27 March 2012. All values are rounded to the nearest pound except where indicated.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

Going Concern

The Company's financial statements have been prepared on a going concern basis with the Parent Company having given an undertaking to support the financial operations of the Subsidiary Company.

Revenue and Expense recognition

Dividends on investments are included in the income statement when the investment is quoted ex-dividend. UK dividends are shown net of tax credits. Interest on deposits and on margin payments in respect of Contracts for Differences are accounted for on an accruals basis. Expenses, where any, are accounted for on an accrual basis.

Investments

Investments are recognised and derecognised on a trade date where a purchase and sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, being the consideration given.

All investments are classified as fair value through profit or loss and measured at fair value. Changes in the fair value of investments classified as fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as 'Gains on investments at fair value through profit or loss'. The fair value of listed investments is based on their quoted bid market price at the Statement of Financial Position date without any deduction for estimated future selling costs.

Gains or losses on Contracts for Differences are recognised at their fair values based on the counterparty valuations or market prices with resulting changes taken to the Statement of Comprehensive Income.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

JSST SECURITIES LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2011 *continued*

1 ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all temporary differences at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise

Accounting Developments

The following standards, amendments and interpretations have been published by IASB but are not yet effective for the year ended 31 October 2011.

International Accounting Standards(IAS/IFRSS)	Effective date
IFRS 1 Amendments to IFRS 1-Additional Exemptions for First Time Adopters	1 January 2010
IFRS 1 Amendments to IFRS 1-Limited Exemptions from Comparative IFRS 7 disclosures	1 July 2010

IFRS 9 Financial Instruments: Classification & Measurement	1 January 2013
IAS 24 Related Party Disclosure (revised)	1 January 2011
International Financial Reporting Interpretations Committee (IFRIC) Effective date	
IFRIC 14 Amendment: Prepayments of a Minimum Funding Requirement	1 January 2011
IFRIC 17 Distribution of non-cash assets to owners	1 January 2013
IFRIC 19 Extinguishing Financial Liabilities and Equity Instruments	1 July 2010

The Directors anticipate that the adoption of the above Standards and Interpretations in Interpretations in future periods will have no material impact on the financial statements of the Company.

The Company intends to adopt the Standards in the reporting period when they become effective. The Company has adopted IAS 1 (revised) during the year

2 ADMINISTRATIVE EXPENSES

None of the directors received remuneration for their services to the Company during the year. There were no employees of the Company other than directors during the year. No auditors' remuneration has been charged for the period as the cost is borne by the parent company.

3. TAXATION

	2011 £	2010 £
a) Analysis of charge in year:		
Corporation tax	0	246,615
Total tax for year	<u>0</u>	<u>246,615</u>

b) Factors affecting tax charge for the year:

	2011 £	2010 £
Gain on ordinary activities before taxation	<u>0</u>	<u>880,767</u>
Corporation tax at 27% (2010: 28.00%)	0	246,615
Current tax charge for the year	<u>0</u>	<u>246,615</u>

c) There is no material unprovided deferred tax. (2010: £Nil)

JSST SECURITIES LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2011 *continued*****4 INVESTMENTS**

No investments or derivative contracts were held at 31 October 2011 (2010 Nil)

	2011	2010
	£	£
Investments at beginning of year	0	0
Purchase at cost	0	7,477,695
Sales at cost	0	(7,477,695)
Investment cost at end of year	<u>0</u>	<u>0</u>

Transaction Costs

No transaction costs were incurred during the year in acquiring and disposing of investments classified as fair value through profit or loss.

	2011	2010
	£	£
Purchases	0	8,656
Sales	0	8,078
	<u>0</u>	<u>16,734</u>

5 CURRENT LIABILITIES

	2011	2010
	£	£
Amount owed to parent undertaking	276,339	29,724
Corporation tax	288,818	535,433
	<u>565,157</u>	<u>565,157</u>

JSST SECURITIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2011 *continued*

6. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Background

The Company's financial instruments comprise securities and other investments, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement
- interest rate risk
- liquidity risk
- credit and counterpart risk

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year

Policy

(i) Foreign Currency Risk

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions. There were no portfolio holdings of the Company as at the year end and therefore no numerical disclosure has been provided for this risk

Management of the risk

The Investment Manager monitors the Company's exposure to foreign currency on a daily basis. The Investment Manager reports to the Board at each meeting of the level of exposure and how he is managing these risks

(ii) Market Price Risk

By the very nature of its activities, the Company's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the Directors' Report. There were no portfolio holdings of the Company as at the year end or the previous year end and therefore no numerical disclosure has been provided for this risk

(iii) Interest Rate Risk

The Company takes account of this risk when making investment decisions. There were no portfolio holdings or cash of the Company as at the year end or the previous year end and therefore no numerical disclosure has been provided for this risk

(iv) Use of Derivatives

The Company will take short positions, using contracts for differences, in respect of a small number of larger capital securities.

(v) Liquidity Risk

The Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of short term borrowing from the parent company. There were no portfolio holdings of the Company as at the year end and therefore no numerical disclosure has been provided for this risk

(vi) Credit and Counterparty risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. As at the year end the Company had no credit and counterparty exposure

Management of the risk

The risk is not significant and is managed as follows:

- investments transactions are carried out with a large number of brokers whose credit standard is reviewed periodically by the Portfolio Manager, and limits are set on the amount that may be due from any one broker.

Primary Financial Instruments

Financial assets and liabilities are included in the balance sheet at market values, which represent fair values.

(vii) Capital Management Policies and Procedures

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes

- The planned level of gearing which takes into account the Investment Manager's view on the market;
- The extent to which revenue in excess of that which is required to be distributed should be retained

These requirements are unchanged since last year and the Company has complied with them.

7. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

8. RELATED PARTIES

The ultimate parent undertaking is Jupiter Second Split Trust PLC, a Company registered in England. The results of the Company have been included in the consolidated accounts of Jupiter Second Split Trust PLC, copies of which are available for download from www.jupiteronline.co.uk or from the Company Secretary. Jupiter Asset Management Limited, 1 Grosvenor Place, London SW1X 7JJ.

The Company has no bank account and all cash payments and receipts go through the bank account of Jupiter Second Split Trust PLC. At the year end the amount due to Jupiter Second Split Trust PLC was £276,339 (2010: £29,724). This amount includes a related party transaction made on behalf of the Company by the parent undertaking, Jupiter Second Split Trust PLC during the year in the sum of £246,614.76 in respect of tax liabilities to HMRC.