

BEST Securities Limited

Report and Financial Statements

30 September 2010

THURSDAY



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COMPANIES HOUSE

BEST Securities Limited

Registered No 2108176

Director

P S S Macpherson

Secretary

Phoenix Administration Services Limited
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

J P Morgan Chase Bank
125 London Wall
London
EC2Y 5AJ

Solicitors

Herbert Smith
Exchange Square
Primrose Street
London
EC2A 2HS

Registered Office

Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Directors' report

The directors present their report and financial statements for the year ended 30 September 2010

Principal activity and review of the business

The Company acts and will continue to act as a dealer and underwriter in securities

Results

The loss for the year, after taxation, amounted to £2,538 (2009 loss £3,348).

Dividends

No interim dividend was paid during the year (2009: £nil). The Director does not recommend the payment of a final dividend (2009: £nil).

Directors and their interests

Mr P S S Macpherson was the sole director throughout the period under review

The director did not hold any shares in the Company during the year under review. The entire share capital of the Company is beneficially owned by British Empire Securities and General Trust plc.

The interests of the director in the share capital of the Company's parent, British Empire Securities and General Trust plc was as follows.

	At 30 September 2010 Ordinary shares	At 30 September 2009 Ordinary shares
P S S Macpherson	40,000	40,000

No director has a contract of service with the Company, and there were no contracts or arrangements at any time during the year to 30 September 2010, or since, in which a director of the Company was materially interested, whether directly or indirectly.

The Company's parent, British Empire Securities and General Trust plc, is a Stock Exchange Listed company. The UK Listing Authority's Disclosure Rules and Transparency Rules require listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code on Corporate Governance, as issued by the Financial Reporting Council (FRC). The Annual Report of British Empire Securities and General Trust plc for the year ended 30 September 2010 sets out its compliance with the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance and the Corporate Governance Guide for Investment Companies. The FRC has confirmed that AIC member companies who report against the AIC Code and who follow the AIC Guide for Investment Companies will be meeting their obligations in relation to the Combined Code and associated disclosure requirements of the UK Listing Authority's Disclosure Rules.

Management and Custody Agreements

The Company's activities are managed by Asset Value Investors Limited under an investment management agreement with the Company's parent, British Empire Securities and General Trust plc.

JPMorgan Chase provides custodian services to the Company pursuant to a custody agreement with British Empire Securities and General Trust plc.

Phoenix Administration Services Limited acts as Company Secretary and Administrator for both the Company and British Empire Securities and General Trust plc.

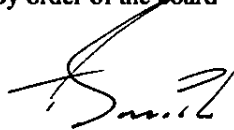
Directors' report

Auditors

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006

The directors are responsible for ensuring that there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to take as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the board



Phoenix Administration Services Limited
Secretary
16 December 2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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 auditors' report

to the members of BEST Securities Limited

We have audited the Company's financial statements for the year ended 30 September 2010 which comprise the Income Statement, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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, are properly prepared in accordance with the Companies Act 2006 and whether the information given in the Directors' Report is consistent with the financial statements.

We also 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 transactions with the Company 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.

Independent auditors' report

to the members of BEST Securities Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2010 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements



Ernst & Young LLP
Registered Auditor
London

Dated 16 December 2010

Income Statement

for the year ended 30 September 2010

	Notes	2010 £	2009 £
Administration expenses		(2,585)	(2,300)
Unrealised losses on investments held at fair value		-	-
Realised losses on investments held at fair value		(2)	(2,380)
Realised exchange gains		48	26
Operating loss	3	(2,539)	(4,654)
Bank interest receivable		1	4
Loss on ordinary activities before taxation		(2,538)	(4,650)
Tax on loss on ordinary activities	4	-	1,302
Loss on ordinary activities after taxation for the year	9	(2,538)	(3,348)

There are no recognised gains or losses other than the loss attributable to the shareholders of the Company of £2,538 in the year ended 30 September 2010 and the loss of £3,348 in the year ended 30 September 2009.

The notes on pages 9 to 12 form an integral part of the financial statements.

Balance sheet

at 30 September 2010

	Notes	2010 £	2009 £
Current assets			
Investments at fair value through profit or loss	5	-	2
Debtors	6	2,021,422	2,023,722
Cash at bank		1,490	1,441
		<u>2,022,912</u>	<u>2,025,165</u>
Creditors: amounts falling due within one year	7	(2,585)	(2,300)
		<u>2,020,327</u>	<u>2,022,865</u>
Capital and reserves			
Called up share capital	8	250,000	250,000
Profit and loss account	9	1,770,327	1,772,865
Shareholders' funds - equity	9	<u>2,020,327</u>	<u>2,022,865</u>

Signed on behalf of the Board of Directors



P S S Macpherson

Director

1st December 2010

The notes on pages 9 to 12 form an integral part of the financial statements

Notes to the financial statements

at 30 September 2010

1. Accounting policies

Basis of accounting

The Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP)

Investments

Investments are classified as fair value through profit or loss and are shown at their fair value at the balance sheet date with any movement in fair value being charged to the Income Statement. Profits or losses arising on the disposal of investments are taken to the Income Statement. Fair value for quoted investments represents the bid-market value as at the close of business on the balance sheet date. Fair value for unquoted investments or where the market value is not readily available is based on the Director's assessment of the value of the investment. Overseas investments are translated into sterling at the exchange rate ruling at the year end.

Income and interest receivable

Franked investment income is recognised in the income statement when declared ex-dividend together with the related tax credit. Other income from investments is taken into account in the same way except in the case of overseas dividends which are dealt with on a received basis.

All interest receivable is accounted for on an accruals basis.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

2. Directors' remuneration

None of the Directors of the Company received any emoluments from the Company during the year (2009 - £nil). The Company did not have any employees during the year.

3. Operating loss

This is stated after charging

	2010	2009
	£	£
Auditor's remuneration	2,585	2,300
	<u>2,585</u>	<u>2,300</u>

Notes to the financial statements

at 30 September 2010

4. Tax on loss on ordinary activities

Factors affecting current charge for year

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009: 28%). The differences are reconciled below:

	2010 £	2009 £
Loss on ordinary activities before taxation	(2,538)	(4,650)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	(710)	(1,302)
Effects of Excess expenses of current year	710	-
Prior year adjustment	-	-
Current tax charge for the year	-	(1,302)

There is no material unprovided deferred tax

5. Investments

	2010 £	2009 £
Opening book cost	8,058	
Opening unrealised depreciation	(8,056)	
Opening fair value	2	
Movements in the year:		
Sales – Proceeds	-	-
– realised loss on sales	(8,058)	
Decrease in unrealised depreciation	8056	
Closing fair value	-	
Closing book cost	-	-
Closing unrealised depreciation	-	-
Closing fair value	-	-
Listed in the UK at fair value	-	-
Listed elsewhere at fair value	-	2

Notes to the financial statements

at 30 September 2010

6. Debtors

	2010 £	2009 £
Amounts due from parent company	2,020,120	2,022,420
Other	1,302	1,302
	<u>2,021,422</u>	<u>2,023,722</u>

7. Creditors: amounts falling due within one year

	2010 £	2009 £
Other creditors	2,585	2,300
	<u>2,585</u>	<u>2,300</u>

8. Called up share capital

	2010 £	2009 £
Authorised:		
Ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

9. Reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 October 2009	250,000	1,772,865	2,022,865
Loss for the year	—	(2,538)	(2,538)
At 30 September 2010	<u>250,000</u>	<u>1,770,327</u>	<u>2,020,327</u>

10. Parent undertaking and controlling party

The Company's parent undertaking and controlling party is British Empire Securities and General Trust plc, a company registered in England and Wales. Copies of the group financial statements of the parent company can be obtained from the registered office at Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW.

Notes to the financial statements

at 30 September 2010

11. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' relating to transactions between 90 per cent or more controlled subsidiaries, by not disclosing information on related party transactions

12. Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised) 'Cash Flow Statements' relating to transactions between 90 per cent or more controlled subsidiaries and the Company has not prepared a cash flow statement.