

# **BEST Securities Limited**

Registered in England & Wales  
Company Number 2108176

## **Report and Financial Statements**

For the year ended

**30 September 2013**



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## BEST Securities Limited

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Registered No 2108176

### **Directors**

P S S Macpherson  
A S Robson

### **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 Freehills LLP  
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 BEST Securities Limited (the 'Company') for the year ended 30 September 2013

### Principal activity and review of the year

The Company's principal activity is, and for the foreseeable future will continue to be, a dealer and underwriter in equity securities and debt instruments

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Sections 415(A)(1) & (2) of the Companies Act 2006

### Results

The loss for the year, after taxation, amounted to £2,738 (2012 loss £2,549)

### Dividends

No interim dividend was paid during the year (2012 £nil) The Directors do not recommend the payment of a final dividend (2012 £nil)

### Directors and their interests

The Directors of the Company are Mr P S S Macpherson and Mr A S Robson, both of whom served throughout the year under review

The Directors do not hold any shares in the Company nor did they during the year under review Shareholdings in the Company's ultimate parent British Empire Securities and General Trust plc are disclosed in the parent's Report and Accounts

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 2013, or since, in which a Director of the Company was materially interested, whether directly or indirectly

### Statement of Directors' responsibilities

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

## Directors' report

### Principal risks

The principal risk facing the Company is settlement default by clearing houses and stock exchanges and the risk of delayed repossession or disputed title of any assets held for the Company in the event of failure of the Custodian

### Going Concern

In view of the Company's financial position the Company's ultimate parent, British Empire Securities and General Trust plc, has given an irrevocable undertaking to provide the Company with such financial support as it shall require, or as shall be necessary, for it to continue its business activities and enable it to prepare financial statements on a going concern basis

### 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

J P Morgan 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

### Third Party Indemnities

Enhanced indemnities are provided to the Directors of the Company by British Empire and General Trust plc against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities remain in force as at the date of this Report and Accounts. A copy of each of the indemnities is kept at the registered office of British Empire and General Trust plc

### Auditors

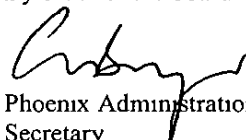
The auditors, Ernst & Young LLP, in accordance with Sections 485 and 487 of the Companies Act 2006 are deemed to be reappointed

Each of the Directors as at the date of approval of the report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 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

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006

By order of the board



Phoenix Administration Services Limited  
Secretary

28 March 2014

Registered No 2108176

## **Independent auditor's report to the members of BEST Securities Limited**

We have audited the financial statements of BEST Securities Limited for the year ended 30 September 2013 which comprise the Profit and Loss account, Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor**

As explained more fully in the Directors' Responsibilities 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

Registered No 2108176

**Independent auditor's report**  
to the members of BEST Securities Limited

**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

*Ernst & Young*

Ashley Coups (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

~~28 March~~ 2014

*3 April*

**Profit and loss account****for the year ended 30 September 2013**

	Notes	2013 £	2012 £
Administration expenses		(2,700)	(2,700)
Realised gains on investments		-	133
Realised exchange (losses)/gains		(38)	18
<b>Operating loss</b>	<b>3</b>	<b>(2,738)</b>	<b>(2,549)</b>
Bank interest receivable		-	-
<b>Loss on ordinary activities before taxation</b>		<b>(2,738)</b>	<b>(2,549)</b>
Tax on loss on ordinary activities	<b>4</b>	-	-
<b>Loss on ordinary activities after taxation for the year</b>	<b>8</b>	<b>(2,738)</b>	<b>(2,549)</b>

All amounts derive from continuing operations

There are no recognised gains or losses other than the loss attributable to the shareholders of the Company of £2,738 in the year ended 30 September 2013 and the loss of £2,549 in the year ended 30 September 2012 and accordingly a statement of total recognised gains and losses is not presented

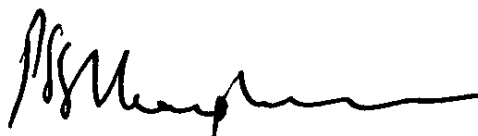
The notes on pages 7 to 10 form an integral part of the financial statements

## Balance sheet

at 30 September 2013

	Notes	2013 £	2012 £
<b>Current assets</b>			
Debtors	5	2,013,442	2,016,142
Cash at bank		1,599	1,638
		<u>2,015,041</u>	<u>2,017,780</u>
<b>Creditors' amounts falling due within one year</b>	6	(2,700)	(2,700)
		<u>2,012,341</u>	<u>2,015,080</u>
<b>Capital and reserves</b>			
Called up share capital	7	250,000	250,000
Profit and loss account	8	1,762,341	1,765,080
<b>Shareholder's funds - equity</b>	8	<u>2,012,341</u>	<u>2,015,080</u>

Signed on behalf of the Board of Directors on 28 March 2014



P S S Macpherson  
Director

The notes on pages 7 to 10 form an integral part of the financial statements



## Notes to the financial statements

at 30 September 2013

### 1. Accounting policies

#### Basis of accounting

The Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the Companies Act 2006. A summary of the accounting policies which have been applied consistently is set out below.

#### Income and expenses

Income and expenses are recognised 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 (2012 - £nil). The Company did not have any employees during the year.

### 3. Operating loss

This is stated after charging

	2013 £	2012 £
Auditor's remuneration	2,700	2,700
	<u>2,700</u>	<u>2,700</u>

## Notes to the financial statements

at 30 September 2013

### 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 23.52% (2012: 25%). The differences are reconciled below

	2013 £	2012 £
Loss on ordinary activities before taxation	(2,738)	(2,549)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2012: 25%)	(644)	(637)
Effects of Excess expenses of current year	644	637
Current tax charge for the year	-	-
There is no material unprovided deferred tax		

### 5. Debtors

	2013 £	2012 £
Amounts due from parent company	2,013,442	2,016,142
Other debtors	-	-
	2,013,442	2,016,142

### 6. Creditors: amounts falling due within one year

	2013 £	2012 £
Other creditors	2,700	2,700

### 7. Called up share capital

	2013 £	2012 £
<b>Authorised</b>		
Ordinary shares of £1 each	250,000	250,000
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	250,000	250,000

## Notes to the financial statements

at 30 September 2013

### 8. Reserves

	Share capital £	Profit and loss account £	Total shareholder's funds £
At 1 October 2012	250,000	1,765,080	2,015,080
Loss for the year	–	(2,738)	(2,738)
At 30 September 2013	<u>250,000</u>	<u>1,762,342</u>	<u>2,012,342</u>

### 9. Parent undertaking and controlling party

The Company's parent undertaking and ultimate 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 undertaking can be obtained from the registered office at Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW.

### 10. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' from disclosure of transactions with companies that are part of the British Empire Securities and General Trust plc group.

### 11. Cash flow statement

The Company has taken advantage of the exemption from preparing a cash-flow statement under the terms of Financial Reporting Standard 1 (Revised) 'Cash Flow Statements' as the Company is included in the parent undertaking's consolidated financial statements which are publicly available.