

# BEST Securities Limited

Registered in England & Wales  
Company Number: 2108176

## Report and Financial Statements

For the year ended  
30 September 2014

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COMPANIES HOUSE

**Directors**

PSS Macpherson  
AS Robson

**Secretary**

Capita Company Secretarial Services Limited  
Beaufort House  
51 New North Road  
Exeter  
Devon EX4 4EP

**Auditor**

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

**Banker**

JPMorgan Chase Bank NA  
125 London Wall  
London  
EC2Y 5AJ

**Solicitor**

Herbert Smith Freehills LLP  
Exchange Square  
Primrose Street London  
EC2A 2HS

**Registered Office**

Beaufort House  
51 New North Road  
Exeter  
Devon  
EX4 4EP

## **Directors' Report**

The Directors present their report and financial statements for BEST Securities Limited (the 'Company') for the year ended 30 September 2014.

### **Principal activity and review of the year**

The Company is a wholly owned subsidiary of British Empire Securities and General Trust plc (the 'parent company'). The Company's principal activity is, and during the year was 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 £72 (2013: loss £2,739).

### **Dividends**

An interim dividend of £1,762,269 was paid during the year (2013: £nil), representing 704.91p per share (2013: 0.00p per share). The Directors do not recommend the payment of a final dividend.

### **Share capital**

Subsequent to the year end, on 6 November 2014 shareholders approved the reduction in the issued share capital from £250,000 to £1 by the cancelling and extinguishing of 249,999 ordinary shares.

### **Directors and their interests**

The Directors who have served during the year were:

PSS Macpherson  
AS Robson.

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 company 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 2014, 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 judgments 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 financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **Directors' Report (continued)**

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.

### **Going concern**

In view of the Company's financial position the Company's ultimate parent company, 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.

The Company did not trade during the period and has not traded since the period end. As at the date of this Report, it is the current intention of the Directors that the Company remains dormant for the foreseeable future.

### **Management and custody agreements**

The Company's activities are managed by Asset Value Investors Limited ('AVI') under an investment management agreement with the Company's parent company.

JP Morgan Chase Bank provided custodian services to the Company pursuant to a Custody Agreement with the parent company.

Capita Company Secretarial Services Limited was appointed as Company Secretary on 1 April 2014 for both the Company and the parent company. With the Board's consent, with effect from 1 April 2014 AVI has sub-contracted certain administration services to Capita Asset Services. The cost of these sub-contracted services is borne by AVI from its own resources and not by the Company. Prior to 1 April 2014, the Company Secretary and administrator was Phoenix Administration Services Limited for both the Company and the parent company.

### **Third party indemnities**

Enhanced indemnities are provided to the Directors of the Company by the parent company 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 the parent company.

### **Auditor**

The Auditor, Ernst & Young LLP, in accordance with Sections 485 and 487 of the Companies Act 2006 is 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 Auditor is 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 Auditor is 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



Capita Company Secretarial Services Limited  
Secretary  
17 March 2015

FOR AND ON BEHALF OF  
CAPITA COMPANY SECRETARIAL  
SERVICES LIMITED  
SECRETARY

## **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 2014 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 2014 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.

#### **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.



Ashley Coups (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor London  
17 March 2015

**Profit and Loss Account**  
for the year ended 30 September 2014

	Notes	2014 £	2013 £
Administrative expenses		-	(2,700)
Realised exchange losses		<u>(72)</u>	<u>(39)</u>
<b>Loss on ordinary activities before taxation</b>	3	(72)	(2,739)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>	8	(72)	(2,739)
Retained revenue - brought forward		1,762,341	1,765,080
Dividends paid	8	<u>(1,762,269)</u>	<u>-</u>
Retained revenue - carried forward		<u>-</u>	<u>1,762,341</u>

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 £72 in the year ended 30 September 2014 and £2,739 in the year ended 30 September 2013 and accordingly a statement of total recognised gains and losses is not presented.

The notes on pages 8 to 10 form an integral part of the financial statements.

**Balance Sheet**  
at 30 September 2014

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	5	250,000	2,013,442
Cash at bank		-	1,599
		<u>250,000</u>	<u>2,015,041</u>
<b>Creditors: amounts falling due within one year</b>	6	-	(2,700)
<b>NET CURRENT ASSETS</b>		<u>250,000</u>	<u>2,012,341</u>

Represented by :

**SHARE CAPITAL AND RESERVES**

Called up share capital	7	250,000	250,000
Profit and loss account	8	-	1,762,341
		<u>250,000</u>	<u>1,762,341</u>
<b>Shareholder's funds - equity</b>		<u>250,000</u>	<u>2,012,341</u>

These financial statements were approved and authorised for issue by the Board of Directors on 17 March 2015



PSS Macpherson  
Director

Company Number: 2108176

The notes on pages 8 to 10 form an integral part of the financial statements.

## Notes to the Financial Statements

at 30 September 2014

### 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 (2013: £nil). The Company did not have any employees during the year.

### 3. Operating loss

This is stated after charging:

	2014	2,013
	£	£
Auditor's remuneration	-	2,700

Auditor's remuneration was borne by the parent company in 2014.

### 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 22% (2013: 23.5%). The differences are reconciled below:

	2014	2013
	£	£
Loss on ordinary activities before taxation	(72)	(2,739)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22% (2013: 23.5%)	(16)	(644)
Effects of:		
Excess expenses of current year	(16)	(644)
Current tax charge	-	-

There is no material unprovided deferred tax.



**Notes to the financial statements (continued)**
**at 30 September 2014**
**5. Debtors**

	2014 £	2,013 £
Amounts due from parent company	<u>250,000</u>	<u>2,013,442</u>

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

	2014 £	2,013 £
Other creditors	<u>-</u>	<u>2,700</u>

**7. Called up Share capital**

	2014 £	2,013 £
<b>Authorised:</b>		
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Allotted and fully paid:</b>		
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

The shareholders on 6 November 2014 reduced their allotted and fully paid ordinary share capital from £250,000 to £1 by cancelling and extinguishing 249,999 ordinary shares in the share capital of the Company. The £249,999 arising from the reduction in share capital will be credited to the profit and loss reserve of the Company.

**8. Reserves**

	share capital £	Profit and loss account £	Total shareholder's funds £
At 1 October 2013	250,000	1,762,341	2,012,341
Loss for year	-	(72)	(72)
Dividend paid	-	(1,762,269)	(1,762,269)
At 30 September 2014	<u>250,000</u>	<u>-</u>	<u>250,000</u>

## **Notes to the financial statements (continued)**

**at 30 September 2014**

### **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: Beaufort House, 51 New North Road, Exeter Devon EX4 4EP.

### **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.