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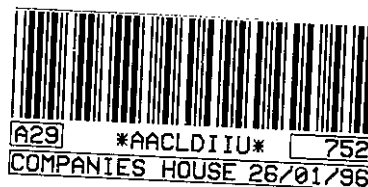
**REGISTRAR OF
COMPANIES**

Bluston Securities Limited

Report and Financial Statements

Year Ended

31 March 1995



BDO

BDO Stoy Hayward
Chartered Accountants

BLUSTON SECURITIES LIMITED

Annual report and financial statements for the year ended 31 March 1995

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Directors

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Directors

Mrs L E Bluston
M D Paisner
E L Langton

Secretary and registered office

M D Paisner, 8 Baker Street, London W1M 1DA.

Company number

650310

Auditors

BDO Stoy Hayward, 8 Baker Street, London W1M 1DA.

BLUSTON SECURITIES LIMITED

Report of the directors for the year ended 31 March 1995

The directors present their annual report together with the audited financial statements for the year ended 31 March 1995.

Principal activities, trading review and future developments

The company, which is situated in Great Britain, carries on the business of property investment and management.

The company has been profitable during the year and it is anticipated that the company will continue to be profitable.

Post balance sheet event

One of the company's properties was sold post year end for £500,000 which was in excess of its carrying value.

Results and dividends

The profit and loss account is set out on page 3 and shows the company's profit for the year together with the amount proposed to be retained.

An interim dividend of 20p (1994 - 15p) per share was paid during the year. The directors do not recommend the payment of a final dividend (1994 - £Nil).

Interests in investment properties

The directors are of the opinion that the present value of the company's investment properties exceeds their book value but, in view of the uncertainty of realisable values under current market conditions, do not consider a professional valuation to be worthwhile. Any surplus, if realised, would be subject to taxation.

No provision has been made for depreciation on freehold land and buildings, since the directors consider this would be immaterial.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	25p ordinary shares	
	31 March 1995	31 March 1994
Mrs L E Bluston	802,400	802,400
Mrs L E Bluston - as joint trustee	505,000	505,000
M D Paisner	-	-
E L Langton	-	-

M D Paisner and E L Langton as joint trustees have a non-beneficial interest in 608,000 ordinary shares.

BLUSTON SECURITIES LIMITED

Report of the directors for the year ended 31 March 1995 (*Continued*)

Directors' responsibilities

Company law requires the directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

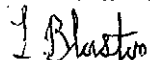
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this report we have taken advantage of the special exemptions applicable to small companies.

On behalf of the Board



Mrs L E Bluston

Director

3 January 1996

BLUSTON SECURITIES LIMITED**Profit and loss account for the year ended 31 March 1995**

	Note	1995 £	1994 £
Turnover	2	744,209	872,751
Administrative expenses		287,447	261,382
Operating profit	3	456,762	611,369
Interest receivable and income from other investments	5	142,692	137,121
Profit on ordinary activities before taxation		599,454	748,490
Taxation on profit on ordinary activities	6	182,110	237,458
Profit on ordinary activities after taxation		417,344	511,032
Dividends	7	321,480	241,110
Retained profit for the year		95,864	269,922
Retained profit brought forward		2,944,533	2,674,611
Retained profit carried forward		3,040,397	2,944,533

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Balance sheet at 31 March 1995

	Note	1995	1994
		£	£
Fixed assets			
Tangible assets			
Investment properties	8	1,771,480	1,716,750
Other tangible assets	9	13,144	16,760
		<u>1,784,624</u>	<u>1,733,510</u>
Current assets			
Debtors	10	251,603	262,273
Investments	11	1,580,284	1,580,284
Cash at bank and in hand		<u>606,374</u>	<u>702,268</u>
		2,438,261	2,544,825
Creditors: amounts falling due within one year	12	<u>614,825</u>	<u>766,139</u>
Net current assets		<u>1,823,436</u>	<u>1,778,686</u>
		<u>3,608,060</u>	<u>3,512,196</u>
Capital and reserves			
Called up share capital	13	401,850	401,850
Reserves			
Non-distributable reserve	14	165,813	165,813
Revenue reserve		<u>3,040,397</u>	<u>2,944,533</u>
		3,206,210	3,110,346
Shareholders' funds		<u>3,608,060</u>	<u>3,512,196</u>

In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies on the grounds that the directors believe the company is entitled to benefit from these exemptions.

The financial statements were approved by the Board on 3 January 1996

L Bluston

Mrs L E Bluston
Director

The notes on pages 5 to 9 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents net rent receivable on investment property.

Depreciation

No provision is made for depreciation on freehold land and buildings. The directors consider that this accounting policy, which represents a departure from the Companies Act 1985, is appropriate since depreciation of these investment properties would be immaterial.

Leasehold properties are amortised over the period of the leases and other fixed assets are depreciated at the following annual rates:

Motor vehicles	- 25% on written down value
Fixtures, fittings and office equipment	- 10% on written down value
Leasehold properties	- over the term of the lease

Valuation of investments

Investments held as current assets are stated at the lower of cost and net realisable value.

Valuation of investment properties

Freehold and long leasehold investment properties are stated in the financial statements at cost and are not revalued as required by Statement of Standard Accounting Practice No. 19. The directors are of the opinion that the present value of the company's properties exceeds their book value, but in view of the uncertainty of realisable values under current market conditions, do not consider a professional valuation worthwhile.

2 Turnover

All turnover arises from rental income in the United Kingdom as set out below.

	1995 £	1994 £
Gross rental income	1,042,860	1,154,742
Net property outgoings	(298,651)	(281,991)
	744,209	872,751

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)**3 Operating profit is stated after charging:**

	1995 £	1994 £
Depreciation	6,208	7,328
Auditors' remuneration	9,000	9,000
	<u> </u>	<u> </u>

4 Directors' emoluments

Emoluments consist of:

Directors' fees	214,342	198,063
	<u> </u>	<u> </u>

5 Interest receivable and income from other investments

Income from current asset investments	112,989	88,950
Other interest receivable	29,703	48,171
	<u> </u>	<u> </u>
	142,692	137,121
	<u> </u>	<u> </u>

6 Taxation

Based on profit for the year:

UK corporation tax at 33 % (1994 - 33 %)	181,625	239,045
Under/(over) provision in prior years	485	(1,587)
	<u> </u>	<u> </u>
	182,110	237,458
	<u> </u>	<u> </u>

7 Dividends

Interim dividend paid of 20p per share (1994 - 15p)	321,480	241,110
	<u> </u>	<u> </u>

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)

8 Investment properties

	Freehold £	Long leasehold £	Total £
<i>Cost</i>			
At beginning of year	1,408,538	323,980	1,732,518
Additions	57,322	-	57,322
At end of year	1,465,860	323,980	1,789,840
<i>Depreciation</i>			
At beginning of year	-	15,768	15,768
Provision for the year	-	2,592	2,592
At end of year	-	18,360	18,360
<i>Net book value</i>			
At 31 March 1995	1,465,860	305,620	1,771,480
At 31 March 1994	1,408,538	308,212	1,716,750

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 1995 (*Continued*)**9 Other tangible assets**

	Motor vehicles £	Fixtures, fittings and office equipment £	Total £
<i>Cost</i>			
At beginning and end of year	74,746	17,656	92,402
<i>Depreciation</i>			
At beginning of year	61,812	13,830	75,642
Charge for the year	3,234	382	3,616
At end of year	65,046	14,212	79,258
<i>Net book value</i>			
At 31 March 1995	9,700	3,444	13,144
At 31 March 1994	12,934	3,826	16,760

10 Debtors

	1995 £	1994 £
Trade debtors	239,414	249,174
Prepayments and accrued income	12,189	11,313
Other debtors	-	1,786
	251,603	262,273

All amounts shown under debtors fall due for payment within one year.

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 1995 *(Continued)***11 Investments**

	1995 £	1994 £
Investments quoted on the UK stock exchange	1,580,284	1,580,284
Market value of listed investments	1,603,418	1,644,086

12 Creditors: amounts falling due within one year

ACT payable	80,370	70,000
Other creditors	461,410	549,804
Corporation tax	73,045	146,335
	614,825	766,139

13 Share capital

	Authorised 1995 and 1994		Allotted, called up and fully paid 1995 and 1994	
	Number	£	Number	£
Ordinary shares of 25p each	1,800,000	450,000	1,607,400	401,850

14 Non distributable reserve

	£
At 31 March 1995 and 31 March 1994	165,813

Under the company's Memorandum of Association, any surpluses arising from the disposal of its investment properties are not available for distribution, and are therefore credited to a separate non-distributable reserve.

15 Cash flow statement

The company has taken advantage of the exemption offered under Financial Reporting Standard 1 not to produce a cash flow statement as the directors believe the company is a "small entity" under sections 246-249 of the Companies Act 1985.

BLUSTON SECURITIES LIMITED

Report of the auditors

To the shareholders of Bluston Securities Limited

We have audited the financial statements on pages 3 to 9 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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.

Qualified opinion arising from disagreement about accounting treatment

The company has not included its investment properties in the balance sheet at open market value as required by Statement of Standard Accounting Practice No 19. We are unable to quantify the amount of the open market value.

Except for the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In our opinion the subject matter of the foregoing qualification is not material for determining whether the distributions of £321,480 by the company are permitted under section 263 of the Companies Act 1985.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

BDO Stoy Hayward

3 January 1996