

650310

Bluston Securities Limited

Report and Financial Statements

Year Ended

31 March 1996

**REGISTRAR OF
COMPANIES**



BDO

BDO Stoy Hayward
Chartered Accountants

BLUSTON SECURITIES LIMITED

Annual report and financial statements for the year ended 31 March 1996

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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 1996

The directors present their annual report together with the audited financial statements for the year ended 31 March 1996.

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.

Results and dividends

The profit and loss account is set out on page 4 and shows the company's profit for the year together with the amount proposed to be retained.

An interim dividend of 20p (1995 - 20p) per share was paid during the year. The directors do not recommend the payment of a final dividend (1995 - £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	
	1996	1995
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 1996 (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

L. Bluston

Mrs L E Bluston

Director

Date **21 JANUARY 1997**

BLUSTON SECURITIES LIMITED

Report of the auditors

To the shareholders of Bluston Securities Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

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 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 1996 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

21 January 1997

BLUSTON SECURITIES LIMITED**Profit and loss account for the year ended 31 March 1996**

	Note	1996 £	1995 £
Turnover	2	885,154	744,209
Administrative expenses		309,488	287,447
Operating profit	3	575,666	456,762
Profit on sale of freehold property		407,292	-
Operating profit before interest receivable		982,958	456,762
Interest receivable and income from other investments	5	175,066	142,692
Profit on ordinary activities before taxation		1,158,024	599,454
Taxation on profit on ordinary activities	6	242,617	182,110
Profit on ordinary activities after taxation		915,407	417,344
Dividends	7	321,480	321,480
Retained profit for the year		593,927	95,864

All amounts relate to continuing activities.

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

The notes on pages 6 to 11 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Balance sheet at 31 March 1996

	Note	1996	1995
		£	£
Fixed assets			
Tangible assets			
Investment properties	8	1,695,121	1,771,480
Other tangible assets	9	10,375	13,144
		<u>1,705,496</u>	<u>1,784,624</u>
Current assets			
Debtors	10	282,330	251,603
Investments	11	2,305,193	1,580,284
Cash at bank and in hand		<u>572,569</u>	<u>606,374</u>
		3,160,092	2,438,261
Creditors: amounts falling due within one year	12	<u>663,601</u>	<u>614,825</u>
Net current assets		<u>2,496,491</u>	<u>1,823,436</u>
		<u>4,201,987</u>	<u>3,608,060</u>
Capital and reserves			
Called up share capital	13	401,850	401,850
Reserves			
Non-distributable reserve	14	573,105	165,813
Revenue reserve	14	<u>3,227,032</u>	<u>3,040,397</u>
		<u>3,800,137</u>	<u>3,206,210</u>
Shareholders' funds		<u>4,201,987</u>	<u>3,608,060</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 **21 JANUARY 1997**

L. Bluston

Mrs L E Bluston
Director

The notes on pages 6 to 11 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1996

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards except as set out below. 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 do not feel justified in incurring the cost of a professional valuation.

2 Turnover

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

	1996 £	1995 £
Gross rental income	1,083,227	1,042,860
Net property outgoings	(198,073)	(298,651)
	885,154	744,209

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1996 (Continued)

3 Operating profit is stated after charging:

	1996 £	1995 £
Depreciation	5,361	6,208
Auditors' remuneration	10,000	9,000
	<u> </u>	<u> </u>

4 Directors' emoluments

Emoluments consist of:

Directors' fees	215,946	214,342
	<u> </u>	<u> </u>

5 Interest receivable and income from other investments

Income from current asset investments	140,982	112,989
Other interest receivable	34,084	29,703
	<u> </u>	<u> </u>
	175,066	142,692
	<u> </u>	<u> </u>

6 Taxation

Based on profit for the year:

UK corporation tax at 33 % (1995 - 33 %)	242,617	181,625
Under provision in prior years	-	485
	<u> </u>	<u> </u>
	242,617	182,110
	<u> </u>	<u> </u>

7 Dividends

Interim dividend paid of 20p per share (1995 - 20p)	321,480	321,480
	<u> </u>	<u> </u>

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 1996 (*Continued*)**8 Investment properties**

	Freehold £	Long leasehold £	Total £
<i>Cost</i>			
At beginning of year	1,465,860	323,980	1,789,840
Additions	4,730	-	4,730
Disposals	(78,497)	-	(78,497)
At end of year	1,392,093	323,980	1,716,073
<i>Depreciation</i>			
At beginning of year	-	18,360	18,360
Provision for the year	-	2,592	2,592
At end of year	-	20,952	20,952
<i>Net book value</i>			
At 31 March 1996	1,392,093	303,028	1,695,121
At 31 March 1995	1,465,860	305,620	1,771,480

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 1996 (*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	65,046	14,212	79,258
Charge for the year	2,425	344	2,769
At end of year	67,471	14,556	82,027
<i>Net book value</i>			
At 31 March 1996	7,275	3,100	10,375
At 31 March 1995	9,700	3,444	13,144

10 Debtors

	1996 £	1995 £
Trade debtors	272,045	239,414
Prepayments and accrued income	10,285	12,189
	282,330	251,603

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

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1996 (Continued)

11 Investments

	1996 £	1995 £
Investments quoted on the UK stock exchange	2,305,193	1,580,284
Market value of listed investments	2,399,472	1,603,418

12 Creditors: amounts falling due within one year

ACT payable	80,370	80,370
Other creditors	456,190	461,410
Corporation tax	127,041	73,045
	663,601	614,825

13 Share capital

	Authorised 1996 and 1995		Allotted, called up and fully paid 1996 and 1995	
	Number	£	Number	£
Ordinary shares of 25p each	1,800,000	450,000	1,607,400	401,850

14 Reserves

	Non-distributable reserves £	Revenue £
At beginning of the year	165,813	3,040,397
Retained profit for the year	-	593,927
Transfer from revenue reserve - profit on sale of freehold property	407,292	(407,292)
At end of the year	573,105	3,227,032

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.

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 1996 *(Continued)*

15 Cash flow statement

The company has taken advantage of the exemption offered under Financial Reporting Standard No. 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.