

650310
**REGISTRAR OF
COMPANIES**

Bluston Securities Limited

Report and Financial Statements

Year Ended

31 March 2001



BDO

BDO Stoy Hayward
Chartered Accountants

BLUSTON SECURITIES LIMITED

Annual report and financial statements for the year ended 31 March 2001

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Directors

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Directors

M D Paisner
E L Langton

Secretary and registered office

M D Paisner, 8 Baker Street, London W1U 3LL.

Company number

650310

Auditors

BDO Stoy Hayward, 8 Baker Street, London W1U 3LL.

BLUSTON SECURITIES LIMITED

Report of the directors for the year ended 31 March 2001

The directors present their annual report together with the audited financial statements for the year ended 31 March 2001.

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 5 and shows the company's profit for the year together with the amount proposed to be retained.

An interim dividend of 20p (2000 - 20p) per share was paid during the year. The directors do not recommend the payment of a final dividend (2000 - £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	
	2001	2000
Mrs L E Bluston (deceased 22 March 2001)	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 2001 (*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.

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

By order of the Board

E. L. Langton


M D Paisner

E L Langton

Secretary



Director

Date 4-01-02

BLUSTON SECURITIES LIMITED

Report of the independent auditors

To the shareholders of Bluston Securities Limited

We have audited the financial statements of Bluston Securities Limited for the year ended 31 March 2001 on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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.

BLUSTON SECURITIES LIMITED

Report of the independent auditors (*Continued*)

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

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

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

4 January 2002

BLUSTON SECURITIES LIMITED**Profit and loss account for the year ended 31 March 2001**

	Note	2001 £	2000 £
Turnover	2	925,915	780,315
Administrative expenses		191,204	296,955
Operating profit	3	734,711	483,360
Profit on sale of freehold property		-	5,886
Operating profit before interest receivable		734,711	489,246
Interest receivable and income from other investments	5	285,852	259,238
Profit on ordinary activities before taxation		1,020,563	748,484
Taxation on profit on ordinary activities	6	290,000	200,292
Profit on ordinary activities after taxation		730,563	548,192
Dividends	7	321,480	321,480
Retained profit for the year	14	409,083	226,712

All amounts relate to continuing activities.

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

The notes on pages 7 to 11 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Balance sheet at 31 March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets					
Investment properties	8		1,511,181		1,513,773
Other tangible assets	9		3,557		4,336
			<u>1,514,738</u>		<u>1,518,109</u>
Current assets					
Debtors	10	304,670		320,795	
Investments	11	1,072,056		1,095,823	
Cash at bank and in hand		<u>3,907,959</u>		<u>3,545,117</u>	
		5,284,685		4,961,735	
Creditors: amounts falling due within one year	12	<u>637,496</u>		<u>727,000</u>	
Net current assets			<u>4,647,189</u>		<u>4,234,735</u>
			<u>6,161,927</u>		<u>5,752,844</u>
Capital					
Called up share capital	13		401,850		401,850
Reserves					
Non-distributable reserve	14	1,204,879		1,204,879	
Revenue reserve		<u>4,555,198</u>		<u>4,146,115</u>	
			<u>5,760,077</u>		<u>5,350,994</u>
Shareholders' funds			<u>6,161,927</u>		<u>5,752,844</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 4-01-02

M D Paisner
E L Langton
Directors

E. L. Langton
[Signature]

The notes on pages 7 to 11 form part of these financial statements.

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001

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

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.

	2001 £	2000 £
Gross rental income	1,209,827	1,185,042
Net property outgoings	(283,912)	(404,727)
	<u>925,915</u>	<u>780,315</u>

BLUSTON SECURITIES LIMITEDNotes forming part of the financial statements for the year ended 31 March 2001 *(Continued)***3 Operating profit is stated after charging/(crediting):**

	2001 £	2000 £
Depreciation	3,371	3,585
Auditors' remuneration	12,000	12,000
Loss on sale of current asset investment	21,628	512
Profit on sale of freehold property	-	(5,886)

4 Directors' emoluments

	2001 £	2000 £
Directors' remuneration (including benefits)	113,099	237,010

5 Interest receivable and income from other investments

	2001 £	2000 £
Income from current asset investments	67,145	69,007
Other interest receivable	218,707	190,231
	285,852	259,238

6 Taxation

	2001 £	2000 £
Based on profit for the year:		
UK corporation tax	290,000	204,341
Overprovision in prior years	-	(4,049)
	290,000	200,292

7 Dividends

	2001 £	2000 £
Interim dividend paid of 20p per share (2000 - 20p)	321,480	321,480

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

8 Investment properties

	Freehold £	Long leasehold £	Total £
<i>Cost</i>			
At beginning and end of year	1,221,113	323,980	1,545,093
<i>Depreciation</i>			
At beginning of year	-	31,320	31,320
Provision for the year	-	2,592	2,592
At end of year	-	33,912	33,912
<i>Net book value</i>			
At 31 March 2001	1,221,113	290,068	1,511,181
At 31 March 2000	1,221,113	292,660	1,513,773

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	72,444	15,622	88,066
Charge for the year	576	203	779
At end of year	73,020	15,825	88,845
<i>Net book value</i>			
At 31 March 2001	1,726	1,831	3,557
At 31 March 2000	2,302	2,034	4,336

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

10 Debtors

	2001 £	2000 £
Trade debtors	293,447	311,136
Prepayments and accrued income	11,223	9,659
	<u>304,670</u>	<u>320,795</u>

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

11 Investments

	2001 £	2000 £
Investments quoted on the UK stock exchange	1,072,056	1,095,823
Market value of listed investments	<u>1,230,253</u>	<u>1,257,389</u>

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Other creditors	347,340	487,496
Corporation tax	290,156	239,504
	<u>637,496</u>	<u>727,000</u>

13 Share capital

	Authorised 2001 and 2000		Allotted, called up and fully paid 2001 and 2000	
	Number	£	Number	£
Ordinary shares of 25p each	<u>1,800,000</u>	<u>450,000</u>	<u>1,607,400</u>	<u>401,850</u>

BLUSTON SECURITIES LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

14 Reserves

	Total £	Non- distributable reserve £	Revenue £
At beginning of the year	5,350,994	1,204,879	4,146,115
Retained profit for the year	409,083	-	409,083
At end of the year	5,760,077	1,204,879	4,555,198

Under the company's Memorandum of Association, any surpluses arising net of tax 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 used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is a 'small entity' as defined under Section 247 of the Companies Act 1985.

16 Transactions with directors

The company rented premises from Mrs L E Bluston at an annual cost of £10,000 (2000 - £10,000).

Mr M D Paisner is a partner of Paisner & Co. During the year Paisner & Co charged the company legal fees in the amount of £47,255 (2000 - £26,963).