

BLUSTON SECURITIES LIMITED

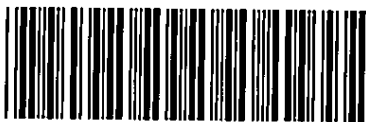
REPORT AND ACCOUNTS

for the year ended

31 MARCH 2009

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BLUSTON SECURITIES LIMITED

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BLUSTON SECURITIES LIMITED

DIRECTORS AND ADVISERS

Directors	M D Paisner R Glatter
Secretary	M D Paisner
Registered office	25 Moorgate London EC2R 6AY
Bankers	Barclays Private Bank 59 Grosvenor Street London W1K 3JD
Auditors	Nexia Smith & Williamson Registered Auditors 25 Moorgate London EC2R 6AY
Tax advisers	Smith & Williamson 25 Moorgate London EC2R 6AY
Solicitors	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Company's registered number	650310

BLUSTON SECURITIES LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 2009.

Activities

The principal activity of the company continues to be property investment and management.

Results for the year

The profit for the year after taxation was £785,027 (2008: £780,294).

Directors

The directors of the company at 31 March 2009, all of whom served throughout the year, were:

M D Paisner
R Glatter

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

Auditors

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors and signed on behalf of the board



R Glatter
Director

BLUSTON SECURITIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that period. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts 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 accounts 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.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of Bluston Securities Limited

We have audited the accounts of Bluston Securities Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 21. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We state in our report whether in our opinion the information given in the Directors' Report is consistent with the accounts. We also report to you if, in our opinion, 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 the 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 misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Qualified opinion arising from disagreement about accounting treatment

Freehold and long leasehold properties owned by the company for investment purposes are included in the accounts at historical cost less amortisation of £426,563 and £1,387,048 respectively. The historical cost basis is not in accordance with Statement of Standard Accounting Practice No 19 *Accounting for investment properties* which requires investment properties to be included at open market value at the balance sheet date. We are unable to quantify the financial effect of this departure, which would have a significant impact on the value of investment properties and revaluation reserves in the balance sheet.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of Bluston Securities Limited (continued)

Opinion

Except for the failure to include investment properties at open market value, in our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended; and
- the accounts have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Directors' Report is consistent with the accounts.

In our opinion the matter in respect of which our report was qualified is not material for determining by reference to these accounts whether distributions are permitted under Section 263 of the Companies Act 1985.

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

Date: 22.10.2009

BLUSTON SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2009**

	Notes	2009 £	2008 £
Turnover	2	1,414,522	1,163,480
Cost of sales		(258,541)	(256,139)
Gross profit		1,155,981	907,341
Administrative expenses		(228,212)	(143,447)
Operating profit	3	927,769	763,894
Interest receivable and income from other investments	6	158,866	316,130
(Loss)/profit on disposal of investments		(7,897)	23,155
Profit on ordinary activities before taxation		1,078,738	1,103,179
Tax on profit on ordinary activities	7	(293,711)	(322,885)
Profit on ordinary activities after taxation	15	785,027	780,294

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

BLUSTON SECURITIES LIMITED

BALANCE SHEET as at 31 MARCH 2009

	Notes	2009 £	2008 £
Fixed assets			
Investment properties	9	1,813,611	1,817,162
Tangible fixed assets	8	14,973	19,964
		1,828,584	1,837,126
Current assets			
Debtors	10	490,741	671,393
Investments	11	4,459,232	4,470,414
Cash at bank and in hand		1,294,888	2,431,062
		6,244,861	7,572,869
Creditors: amounts falling due within one year	12	(623,818)	(817,772)
Provisions for liabilities and charges	13	(1,257)	-
Net current assets		5,619,786	6,755,097
Net assets		7,448,370	8,592,223
Shareholders' equity			
Called up share capital	14	401,850	401,850
Non-distributable reserve	15	5,677,259	5,677,259
Revenue reserve	15	1,369,261	2,513,114
Shareholders' funds	16	7,448,370	8,592,223

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The accounts were approved by the Board of Directors on *14 October 2009* and were signed on its behalf by:


R Glatter
Director

Company's Registered Name: Bluston Securities Limited
Company's Registered Number: 650310

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009

1. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

Fixed assets

The investment properties, which comprise freehold and long leasehold properties, are included in the balance sheet at cost less lease amortisation, and not at their open market value as required by Statement of Standard Accounting Practice No. 19 (SSAP 19) because the directors believe that the costs of such a valuation would outweigh any benefits which might be received by the shareholders.

No depreciation has been provided in respect of the freehold investment properties. Amortisation is provided in respect of leasehold properties. Although this is in accordance with SSAP 19 it represents a departure from the Companies Act 1985 which requires the systematic annual depreciation of fixed assets. The directors believe that it is inappropriate to charge depreciation because the properties are held for their investment potential.

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Investments

Investments are carried at costs less amounts written off for impairment.

2. Turnover

Turnover represents the amounts receivable for rental income, goods and services.

All turnover arises in the United Kingdom as set out below:

	2009	2008
	£	£
Gross rental income	1,545,213	1,288,859
Ground rent payable	(130,691)	(125,379)
	1,414,522	1,163,480

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)****3 Operating Profit is stated after charging**

	2009	2008
	£	£
Depreciation and amortisation	13,991	15,520
Auditors' remuneration (see note 4)	21,250	21,000

4. Auditor's remuneration:

	2009	2008
	£	£
Fees payable to the auditors for the audit of the annual accounts:	13,250	13,000
Fees payable to the company's auditors and its associates for other services:		
Other services relating to taxation	8,000	8,000
	21,250	21,000

5. Directors' emoluments

	2009	2008
	£	£
All directors:	50,809	50,091

6. Interest receivable and income from other investments

	2009	2008
	£	£
Income from current asset investments	84,347	88,571
Other interest receivable	74,519	227,559
	158,866	316,130

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

7. Tax on profit on ordinary activities

	2009 £	2008 £
Corporation tax payable based on the profit for the year at 28% (2008: 30%)	294,477	321,893
(Over)/under provision in respect of prior years	(2,023)	992
Total current tax charge	292,454	322,885
<i>Deferred tax</i>		
Timing differences (note 13)	1,257	-
Tax charge on profit on ordinary activities	293,711	322,885
<i>Tax reconciliation</i>		
Profit on ordinary activities before tax	1,078,738	1,103,179
Profit on ordinary activities multiplied by standard rate corporation tax in the UK of 28% (2008: 30%)	302,047	330,954
<i>Tax effects of:</i>		
Expenses not deductible for tax purposes	3,917	3,950
Income not taxable for tax purposes	(3,924)	(3,752)
Capital allowances in excess of depreciation	(179)	-
Depreciation in excess of capital allowances	-	385
Marginal relief	(7,384)	(9,854)
Chargeable gains	-	210
Adjustment to tax charge in respect of previous years	(2,023)	992
Total current tax charge for the year	292,454	322,885

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)**

8. Tangible fixed assets	Fixtures and fittings £
Cost	
At 1 April 2008	35,491
Additions	-
At 31 March 2009	35,491
Depreciation	
At 1 April 2008	15,527
Charge for the year	4,991
At 31 March 2009	20,518
Net book value	
At 31 March 2009	14,973
At 31 March 2008	19,964

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

9.	Investment properties	Freehold £	Long leasehold £	Total £
	Cost			
	At 1 April 2008	426,563	1,460,544	1,887,107
	Additions	-	5,449	5,449
	At 31 March 2009	426,563	1,465,993	1,892,556
	Amortisation			
	At 1 April 2008	-	69,945	69,945
	Charge for the year	-	9,000	9,000
	At 31 March 2009	-	78,945	78,945
	Net book value			
	At 31 March 2009	426,563	1,387,048	1,813,611
	At 31 March 2008	426,563	1,390,599	1,817,162
10.	Debtors		2009 £	2008 £
	Trade debtors		406,749	547,374
	Prepayments and accrued income		48,652	45,503
	Other debtors		35,340	78,516
			490,741	671,393
11.	Investments		2009 £	2008 £
	Investments quoted on the London Stock Exchange		4,459,232	4,470,414
	Market value of listed investments		4,265,318	4,793,967

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

12.	Creditors: amounts falling due within one year	2009	2008
		£	£
	Corporation tax	294,477	322,885
	Other creditors	329,341	494,887
		623,818	817,772
13.	Provisions for liabilities and charges		Deferred tax
			£
	At 1 April 2008		-
	Charge to the profit and loss account		1,257
	At 31 March 2009		1,257
		2009	2008
		£	£
	Accelerated capital allowances	1,257	-
	Movement in deferred tax provision		
	At 1 April 2008	-	-
	Deferred tax charge in profit and loss account for the year (note 7)	1,257	-
	At 31 March 2009	1,257	-

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

14.	Called up share capital	2009	2008
		£	£
	Authorised		
	1,800,000 Ordinary shares of 25p each	450,000	450,000
	Allotted, called up and fully paid		
	1,607,400 Ordinary shares of 25p each	401,850	401,850
15.	Reserves	Non-distributable Reserve	Revenue
	Total	£	£
	£		
	At 1 April 2008	8,190,373	5,677,259
	Profit for the financial year	785,027	-
	Dividends	(1,928,880)	-
	At 31 March 2009	7,046,520	5,677,259
			2,513,114
			785,027
			(1,928,880)
			1,369,261
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 therefore credited to a separate non-distributable reserve.			
16.	Reconciliation of movement on shareholders' funds	2009	2008
		£	£
	Profit for the financial year after taxation	785,027	780,294
	Dividends	(1,928,880)	(1,768,140)
		(1,143,853)	(987,846)
	Opening shareholders' funds	8,592,223	9,580,069
	Closing shareholders' funds	7,448,370	8,592,223
17.	Dividends	2009	2008
		£	£
	Dividends paid	1,928,880	1,768,140

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

18. 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.

19. Transactions with directors

Mr M D Paisner is a partner of Berwin Leighton Paisner. During the year Berwin Leighton Paisner charged the company £32,467 (2008 - £128,986) in relation to property transactions, debt recovery and general legal advice. There was £5,175 outstanding at the year end (2008 - £62,556).

20. Ultimate Controlling Party

The ultimate controlling party is the Bluston Charitable Trust by virtue of its majority shareholding in the company.

21. Post balance sheet events

On 20 April 2009 the company incorporated a subsidiary, Bluston Securities (Bordon) Limited.