

650310

BLUSTON SECURITIES LIMITED

REPORT AND ACCOUNTS

for the year ended

31 MARCH 2010

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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 2010

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 £1,028,994 (2009 £785,027)

Directors

The directors of the Company at 31 March 2010, 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 s418 of the Companies Act 2006

Auditors

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

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

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts 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.

Nexia Smith & Williamson

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUSTON SECURITIES LIMITED

We have audited the accounts of Bluston Securities Limited ("the Company") for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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 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 explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Qualified opinion arising from disagreement about accounting treatment

As at 31 March 2009 freehold and long leasehold properties owned by the company for investment purposes were 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* ("SSAP 19") which requires investment properties to be included at open market value at the balance sheet date. Our audit opinion on the accounts for the year ended 31 March 2009 was qualified as a result of this matter.

In preparing the accounts for the year ended 31 March 2010 the Company has changed its accounting policy so that all investment properties are shown at open market value in accordance with SSAP 19. In order to facilitate this change in accounting policy the Company has procured valuations of the investment properties held at 31 March 2010. Valuations as at 31 March 2009 have not been procured and therefore the comparative information shown in the accounts for the year ended 31 March 2010 is still presented on a historic cost basis.

The carrying value of investment properties at 31 March 2009 impacts the surpluses and deficits recognised in the statement of recognised gains and losses for the year ended 31 March 2010. As these properties were not restated to open market value on adoption of the new accounting policy, we were unable to determine the extent to which the unrealised surplus on revaluation of £23,011,444 which was recognised in the year ended 31 March 2010 actually arose in that year, the extent to which the surplus arose in the year ended 31 March 2009 and the extent to which the surplus arose in earlier years.

Except for failure to include investment properties at open market value in the comparative balance sheet and the impact on the unrealised surplus on revaluation of investment properties recognised for the year ended 31 March 2010, in our opinion the accounts

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its profit 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 accounts are prepared is consistent with the accounts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUSTON SECURITIES LIMITED
(continued)

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 accounts 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

Nexia Smith & Williamson —

Philip Quigley
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date 24 November 2010

BLUSTON SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2010**

	Notes	2010 £	2009 £
Turnover	2	1,496,340	1,414,522
Cost of sales		(221,120)	(258,541)
Gross profit		1,275,220	1,155,981
Administrative expenses		(181,931)	(228,212)
Operating profit	3	1,093,289	927,769
Interest receivable and income from other investments	6	73,993	158,866
Profit/(loss) on disposal of investments		223,505	(7,897)
Profit on ordinary activities before taxation		1,390,787	1,078,738
Tax on profit on ordinary activities	7	(361,793)	(293,711)
Profit on ordinary activities after taxation	16	1,028,994	785,027

All of the Company's operations are classed as continuing

BLUSTON SECURITIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended
31 March 2010**

	2010 £	2009 £
Profit for the financial year	1,028 994	785,027
Unrealised surplus on revaluation of investment properties	23,011,444	-
Total recognised gains for the year	24,040,438	785,027

BLUSTON SECURITIES LIMITED

BALANCE SHEET as at 31 MARCH 2010

	Notes	2010 £	2009 £
Fixed assets			
Investment properties	9	24,904,000	1,813,611
Tangible fixed assets	8	11,230	14,973
Fixed asset investments	10	2	-
		24,915,232	1,828,584
Current assets			
Debtors	11	2,910,139	490,741
Investments	12	2,832,920	4,459,232
Cash at bank and in hand		500,132	1,294,888
		6,243,191	6,244,861
Creditors: amounts falling due within one year	13	(802,913)	(623,818)
Provisions for liabilities and charges	14	(352)	(1,257)
Net current assets		5,439,926	5,619,786
Net assets		30,355,158	7,448,370
Shareholders' equity			
Called up share capital	15	401,850	401,850
Non-distributable reserve	16	5,677,259	5,677,259
Revenue reserve	16	1,264,605	1,369,261
Revaluation reserve	16	23,011,444	-
Shareholders' funds	17	30,355,158	7,448,370

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

The accounts were approved by the Board of Directors on 24 November and were signed on its behalf by

R Glatter
Director



Company's Registered Name
Company's Registered Number

Bluston Securities Limited
650310

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010

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.

Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of investment properties.

Basis of preparation

The directors have taken advantage of the exclusion allowed by FRS 2 and section 400 of the Companies Act 2006 from preparing consolidated accounts.

The accounts of Bluston Securities Limited present information about it as an individual company and not about its group.

Fixed assets

The investment properties, which comprise freehold and long leasehold properties, are included in the balance sheet at open market value at the year end. Any surplus on revaluation is recognised in the statement of total recognised gains and losses and the revaluation reserve. Any deficit on revaluation, if temporary, is recognised in the statement of total recognised gains and losses and the revaluation reserve. If a deficit below original cost arises and is deemed to be permanent it is recognised in the profit and loss account.

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 2006 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.

No timing differences are recognised in respect of (i) property revaluation surpluses where there is no commitment to sell the asset, (ii) gains on sale of assets where those gains have been rolled over into replacement assets.

No deferred taxation is provided on the revaluation of investment properties unless by the balance sheet date an agreement exists to sell an asset.

Investments

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

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)****2 Turnover**

Turnover represents the amounts receivable for rental income, goods and services
All turnover arises in the United Kingdom as set out below

	2010 £	2009 £
Gross rental income	1,648,191	1,545,213
Ground rent payable	(151,851)	(130,691)
	1,496,340	1,414,522

3 Operating Profit is stated after charging

	2010 £	2009 £
Depreciation and amortisation	12,743	13,991
Auditors' remuneration (see note 4)	21,750	21,250

4 Auditors' remuneration:

	2010 £	2009 £
Fees payable to the auditors for the audit of the annual accounts	13,500	13,250
Fees payable to the Company's auditors and its associates for other services		
Other services relating to taxation	8,250	8,000
	21,750	21,250

5 Directors' emoluments

	2010 £	2009 £
All directors	50,028	50,809

6 Interest receivable and income from other investments

	2010 £	2009 £
Income from current asset investments	44,258	84,347
Other interest receivable	29,735	74,519
	73,993	158,866

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)

7 Tax on profit on ordinary activities

	2010 £	2009 £
Corporation tax payable based on the profit for the year at 28% (2009: 28%)	362,698	294,477
Over provision in respect of prior years	-	(2,023)
Total current tax charge	362,698	292,454
<i>Deferred tax</i>		
Timing differences (note 14)	(905)	1,257
Tax charge on profit on ordinary activities	361,793	293,711
<i>Tax reconciliation</i>		
Profit on ordinary activities before tax	1,390,787	1,078,738
Profit on ordinary activities multiplied by standard rate corporation tax in the UK of 28% (2009: 28%)	389,420	302,047
<i>Tax effects of</i>		
Expenses not deductible for tax purposes	2,520	3,917
Income not taxable for tax purposes	(27,922)	(3,924)
Capital allowances in excess of depreciation	-	(179)
Depreciation in excess of capital allowances	905	-
Marginal relief	-	(7,384)
Group relief	(2,225)	-
Adjustment to tax charge in respect of previous years	-	(2,023)
Total current tax charge for the year	362,698	292,454

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)**

8	Tangible fixed assets	Fixtures and fittings £
	Cost	
	At 1 April 2009 and at 31 March 2010	35,491
	Depreciation	
	At 1 April 2009	20,518
	Charge for the year	3,743
	At 31 March 2010	24,261
	Net book value	
	At 31 March 2010	11,230
	At 31 March 2009	14,973

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)

9 Investment properties	Freehold £	Long leasehold £	Total £
Valuation			
Cost at 1 April 2009	426,563	1,465,993	1,892,556
Revaluation	10,010,437	13,001,007	23,011,444
At 31 March 2010	10,437,000	14,467,000	24,904,000
Amortisation			
At 1 April 2009	-	78,945	78,945
Charge for the year	-	9,000	9,000
Revaluation	-	(87,945)	(87,945)
At 31 March 2010	-	-	-
Net book value			
At 31 March 2010	10,437,000	14,467,000	24,904,000
At 31 March 2009	426,563	1,387,048	1,813,611

The valuation of investment properties at 31 March 2010 was carried out by Newton Perkins Property Consultants, on a basis of market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors

The historical cost of investment properties at 31 March 2010 was £1,892,556 (2009 £1,832,556)

No provision has been made for tax which would arise in the event that the company disposed of its investment properties at the values at which they are included in these accounts. Tax would be payable on disposal to the extent that rollover relief is not available. The potential tax liability which would arise on the sale of all the company's investment properties is approximately £5,800,000 (2009 £nil)

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)****10 Fixed asset investment**

On 20 April 2010 the Company incorporated a 100% owned subsidiary, Bluston Securities (Bordon) Limited, incorporated in England and Wales

Investment in subsidiaries is stated at cost

	Loss after tax £	Net liabilities £
Bluston Securities (Bordon) Limited	(7,948)	(208,739)
11 Debtors	2010 £	2009 £
Trade debtors	659,720	406,749
Prepayments and accrued income	55,441	48,652
Amounts owed by subsidiary undertaking	2,176,942	-
Other debtors	18,036	35,340
	2,910,139	490,741
12 Investments	2010 £	2009 £
Investments quoted on the London Stock Exchange	2,832,920	4,459,232
Market value of listed investments	2,947,986	4,265,318
13 Creditors: amounts falling due within one year	2010 £	2009 £
Corporation tax	363,870	294,477
Other creditors	439,043	329,341
	802,913	623,818

BLUSTON SECURITIES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)**

14	Provisions for liabilities and charges	Deferred tax	
		£	
	At 1 April 2009		1,257
	Credit to the profit and loss account		(905)
	At 31 March 2010		352
		2010	2009
		£	£
	Accelerated capital allowances	352	1,257
	Movement in deferred tax provision		
	At 1 April 2009	1,257	-
	Deferred tax (credit)/charge in profit and loss account for the year (note 7)	(905)	1,257
	At 31 March 2010	352	1,257
15	Called up share capital	2010	2009
		£	£
	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

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)

16 Reserves	Total £	Non- distributable Reserve £	Revenue £	Revaluation Reserve £
At 1 April 2009	7,046,520	5,677,259	1,369,261	-
Profit for the financial year	1,028,994	-	1,028,994	-
Dividends	(1,133,650)	-	(1,133,650)	-
Revaluation	23,011,444	-	-	23,011,444
At 31 March 2010	29,953,308	5,677,259	1,264,605	23,011,444

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

17 Reconciliation of movement on shareholders' funds	2010 £	2009 £
Profit for the financial year after taxation	1,028,994	785,027
Dividends	(1,133,650)	(1,928,880)
Revaluation of investment properties	23,011,444	-
	22,906,788	(1,143,853)
Opening shareholders' funds	7,448,370	8,592,223
Closing shareholders' funds	30,355,158	7,448,370

18 Dividends	2010 £	2009 £
Dividends paid	1,133,650	1,928,880

19 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 382 of the Companies Act 2006

BLUSTON SECURITIES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2010 (continued)

20 Related party transactions

Mr M D Paisner is a partner of Berwin Leighton Paisner. During the year Berwin Leighton Paisner charged the Company £55,359 (2009 - £32,467) in relation to property transactions, debt recovery and general legal advice. There was £8,107 outstanding at the year end (2009 - £5,175).

During the year the Company provided £2,176,942 (2009 £nil) to Bluston Securities (Bordon) Limited, its 100% owned subsidiary in order to facilitate the acquisition of an investment property. The loan is interest free and repayable on demand. At 31 March 2010 the £2,176,942 remains outstanding (2009 £nil).

21 Ultimate Controlling Party

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