

BLUSTON SECURITIES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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BLUSTON SECURITIES LTD

COMPANY INFORMATION

DIRECTORS	M D Paisner CBE R Glatter
COMPANY SECRETARY	M D Paisner CBE
REGISTERED NUMBER	00650310
REGISTERED OFFICE	25 Moorgate London EC2R 6AY
INDEPENDENT AUDITOR	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY

BLUSTON SECURITIES LTD

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BLUSTON SECURITIES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Group continues to be property investment and management. The consolidated financial statements present the results of the Company and its wholly owned subsidiary, Bluston Securities (Bordon) Limited.

REVIEW OF THE BUSINESS

Turnover from rental income and service charges has increased by 37% from £1,890,611 to £2,590,226 in the year due to significant rent reviews on several properties. £384,990 of this increase related to backdated rent reviews relating to prior periods. The significant majority of the property portfolio continues to be let and a lack of voids coupled with excellent debtor recoverability continues to be pleasing in the current climate.

The property portfolio was professionally valued by the Newton Perkins Property Consultants as at 31 March 2010 which led to an increase in the carrying value of the properties of £22,810,651. The accounting standards do not require professional valuations to be undertaken annually and the directors do not consider doing so to be of sufficient value to shareholders to warrant this being performed. The directors have therefore valued the property portfolio based on the movement in the market value in the year on the information available to them. This has led to an increase of £3,329,275 on the value of the properties. It should be noted that while deferred tax on this gain is not recognised in the balance sheet, any gains made on the disposal of the investment properties would be subject to corporation tax at the effective rate. The potential tax liability amounts to approximately £5,287,401 (2014: £4,502,456).

Overall the directors were satisfied with the performance of the Group during the year.

During the year the directors declared and paid dividends of £800,000 (2014: £1,303,771).

DIRECTORS

The directors who served during the year were:

M D Paisner CBE
R Glatter

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, 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

BLUSTON SECURITIES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUTURE DEVELOPMENTS

The directors anticipate that the Group will continue to hold investment properties for the foreseeable future.

FINANCIAL RISK MANGEMENT

The Group's operations expose it to a variety of financial risks, that include the effects of price risk, credit risk, liquidity risk and interest rate risk.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the Group's finance team.

Price Risk

The Group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The Group is exposed to equity securities price risk due its portfolio of listed and other equity investments. However, the risk is mitigated by being spread across a number of different investments.

Credit Risk

The Group has implemented policies that require appropriate credit checks on potential tenants before agreeing to let those properties.

Liquidity Risk

The Group monitors its levels of working capital to ensure that it can meet its supplier payments as they fall due. The Group does not have any derivative financial liabilities.

Interest Rate Risk

The Group has interest bearing assets which comprise only cash balances.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

BLUSTON SECURITIES LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

AUDITOR

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *2nd November 2015* and signed on its behalf.


R Glatter
Director

BLUSTON SECURITIES LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUSTON SECURITIES LTD

We have audited the financial statements of Bluston Securities Ltd for the year ended 31 March 2015, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Statement of total recognised gains and losses and the related notes 1 to 20. 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 Auditor's 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 AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2015 and of the Group's 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 financial statements are prepared is consistent with the financial statements.

BLUSTON SECURITIES LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUSTON SECURITIES LTD

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.

Nexia Smith & Williamson

Jacqueline Oakes (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor & Registered Auditor

25 Moorgate

London

EC2R 6AY

Date: *10 November 2015*

BLUSTON SECURITIES LTD

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	2,590,226	1,890,611
Cost of sales		(1,051,485)	(490,853)
GROSS PROFIT		1,538,741	1,399,758
Administrative expenses		(222,396)	(226,173)
OPERATING PROFIT	3	1,316,345	1,173,585
EXCEPTIONAL ITEMS			
Profit on sale of investment properties	7	-	5,080,041
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,316,345	6,253,626
Income from other fixed asset investments		14,175	1,358
(Loss)/profit on disposal of investments		(441)	3,421
Interest receivable and similar income		70,514	20,130
Interest payable and similar charges	6	-	(3,438)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,400,593	6,275,097
Tax on profit on ordinary activities	8	(289,105)	(1,982,563)
PROFIT FOR THE FINANCIAL YEAR	15	1,111,488	4,292,534

All amounts relate to continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

BLUSTON SECURITIES LTD

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR	1,111,488	4,292,534
Unrealised surplus on revaluation of investment properties	<u>3,329,275</u>	<u>4,124,523</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>4,440,763</u>	<u>8,417,057</u>

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,400,593</u>	<u>6,275,097</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,400,593</u>	<u>6,275,097</u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u>1,111,488</u>	<u>4,292,534</u>

The notes on pages 10 to 20 form part of these financial statements.

BLUSTON SECURITIES LTD
REGISTERED NUMBER: 00650310

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	9		2,665		3,553
Investment property	10		38,969,998		35,640,723
Investments	11		1,632,667		629,399
			<u>40,605,330</u>		<u>36,273,675</u>
CURRENT ASSETS					
Debtors	12	898,177		444,355	
Cash at bank		7,113,634		9,714,409	
		<u>8,011,811</u>		<u>10,158,764</u>	
CREDITORS: amounts falling due within one year	13	(957,456)		(2,413,517)	
NET CURRENT ASSETS			<u>7,054,355</u>		<u>7,745,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>47,659,685</u></u>		<u><u>44,018,922</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		401,850		401,850
Investment property reserve	15		33,605,915		30,276,640
Non-distributable reserve	15		12,832,279		12,832,279
Profit and loss account	15		819,641		508,153
SHAREHOLDERS' FUNDS	16		<u><u>47,659,685</u></u>		<u><u>44,018,922</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
2 November 2015

R Glatter
 Director



M D Paisner CBE
 Director



The notes on pages 10 to 20 form part of these financial statements.

BLUSTON SECURITIES LTD
REGISTERED NUMBER: 00650310

COMPANY BALANCE SHEET
AS AT 31 MARCH 2015

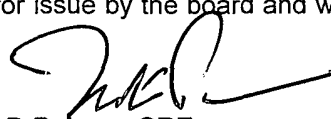
	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	9		2,665		3,553
Investment property	10		35,549,998		31,544,443
Investments	11		1,632,669		629,401
			<u>37,185,332</u>		<u>32,177,397</u>
CURRENT ASSETS					
Debtors	12	3,717,366		3,464,935	
Cash at bank		7,093,629		9,694,404	
		<u>10,810,995</u>		<u>13,159,339</u>	
CREDITORS: amounts falling due within one year	13	(835,494)		(2,344,568)	
NET CURRENT ASSETS			<u>9,975,501</u>		<u>10,814,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>47,160,833</u></u>		<u><u>42,992,168</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		401,850		401,850
Investment property reserve	15		33,757,442		29,751,887
Non distributable reserve	15		12,832,279		12,832,279
Profit and loss account	15		169,262		6,152
SHAREHOLDERS' FUNDS	16		<u><u>47,160,833</u></u>		<u><u>42,992,168</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *2 November 2015*

R Glatter
Director



M D Paisner CBE
Director



The notes on pages 10 to 20 form part of these financial statements.

BLUSTON SECURITIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investment properties and in accordance with applicable accounting standards.

1.2 Cash flow

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small Group.

1.3 Basis of consolidation

The financial statements consolidate the financial statements of Bluston Securities Limited and its subsidiary undertakings ('subsidiaries'). The results of subsidiaries acquired or sold are consolidated for periods from or to the date which control passes. Acquisitions are accounted for under the acquisition method.

1.4 Turnover

Turnover represents the amounts receivable for rental income, goods and services, net of VAT. Where there is a material rent free period and the amount is considered to be recoverable the income is recognised evenly over the period to the date the rent is expected to return to the prevailing market rates. Rents and services charged in advance are shown as other creditors in the Balance sheet.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 25% reducing balance
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1.6 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

(ii) Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.7 Investment properties

Investment properties are included in the Balance sheet at their open market value at the year end and are not depreciated. 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 is provided in respect of freehold investment properties.

Although this is in accordance with Statement of Standard Accounting Practice 19 Investment Properties 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 or amortisation because the properties are held for their investment potential and the departure is therefore necessary in order to give a true and fair view of the financial position of the Company. The amount of depreciation which might otherwise be provided cannot be separately identified or quantified.

1.8 Deferred taxation

Deferred tax is provided on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

2. TURNOVER

Turnover represents the amounts receivable for rental income and services, net of VAT.

All turnover arose within the United Kingdom.

BLUSTON SECURITIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	888	1,184
Auditor's remuneration	20,000	19,550
	<u>20,888</u>	<u>20,734</u>

Auditor's fees for the company were £14,750 (2014 - £14,650)

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	71,000	170,000
Social security costs	8,562	22,398
	<u>79,562</u>	<u>192,398</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Office	<u>1</u>	<u>1</u>

5. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>70,000</u>	<u>170,000</u>

The 2014 remuneration includes £100,000 fee relating to the sale of 16 Albemarle Street, reimbursed by the purchaser.

6. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	<u>-</u>	<u>3,438</u>

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. EXCEPTIONAL ITEMS

	2015 £	2014 £
Profit on disposal of investment property	-	5,080,041

8. TAXATION

	2015 £	2014 £
Analysis of the tax charge in the year		
UK corporation tax charge on profit for the year	291,409	1,980,683
Adjustments in respect of prior periods	(2,304)	1,880
Tax on profit on ordinary activities	289,105	1,982,563

Factors affecting the tax charge for the year

The tax assessed for the year is lower than (2014 - *higher than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,400,593	6,275,097
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	294,125	1,443,272
Effects of:		
Expenses not deductible for tax purposes	11,801	10,339
Capital allowances for year in excess of depreciation	(185)	(45)
Adjustments to tax charge in respect of prior periods	(2,304)	1,880
Non-taxable income	(11,327)	(9,522)
Chargeable gain in excess of profit on disposal on investment property	-	542,897
Other differences leading to a (decrease) in the tax charge	(1,623)	(6,258)
Marginal relief	(1,382)	-
Current tax charge for the year	289,105	1,982,563

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. TANGIBLE FIXED ASSETS

	Fixtures & fittings £
Group	
Cost	
At 1 April 2014 and 31 March 2015	35,491
Depreciation	
At 1 April 2014	31,938
Charge for the year	888
At 31 March 2015	32,826
Net book value	
At 31 March 2015	2,665
<i>At 31 March 2014</i>	3,553
Company	
Cost	
At 1 April 2014 and 31 March 2015	35,491
Depreciation	
At 1 April 2014	31,938
Charge for the year	888
At 31 March 2015	32,826
Net book value	
At 31 March 2015	2,665
<i>At 31 March 2014</i>	3,553

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

10. INVESTMENT PROPERTY

Group	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2014	14,478,104	21,162,619	35,640,723
(Deficit)/surplus on revaluation	(1,508,106)	4,837,381	3,329,275
At 31 March 2015	<u>12,969,998</u>	<u>26,000,000</u>	<u>38,969,998</u>

The 2015 valuations were made by the directors, on an open market value for existing use basis.

Revaluation reserves

At 1 April 2014	30,276,640
Net surplus in investment properties	3,329,275
At 31 March 2015	<u>33,605,915</u>

Company	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2014	10,381,824	21,162,619	31,544,443
(Deficit)/surplus on revaluation	(831,826)	4,837,381	4,005,555
At 31 March 2015	<u>9,549,998</u>	<u>26,000,000</u>	<u>35,549,998</u>

The 2015 valuations were made by the directors, on an open market value for existing use basis.

Revaluation reserves

At 1 April 2014	29,751,887
Net surplus in investment properties	4,005,555
At 31 March 2015	<u>33,757,442</u>

No provision has been made for tax which would arise in the event that the Group disposed of its investment properties at the values at which they are included in these accounts. The potential tax liability which would arise on the sale of all the Group's investment properties is approximately £5,287,401 (2014: £4,502,456).

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

11. FIXED ASSET INVESTMENTS

Group	Investments £
Cost or valuation	
At 1 April 2014	629,399
Additions	1,182,942
Disposals	(243,424)
Movement in cash held as Investments	63,750
At 31 March 2015	<u>1,632,667</u>
Net book value	
At 31 March 2015	<u>1,632,667</u>
At 31 March 2014	<u>629,399</u>

Listed investments

At 31 March 2015 Listed Investments within Investments were held at cost of £1,455,809 (2014: £526,290).

The market value of the Listed Investments at 31 March 2015 was £1,482,976 (2014 - £512,810).

Company	Investments in subsidiary companies £	Investments £	Total £
Cost or valuation			
At 1 April 2014	2	629,399	629,401
Additions	-	1,182,942	1,182,942
Disposals	-	(243,424)	(243,424)
Movement in cash held as Investments	-	63,750	63,750
At 31 March 2015	<u>2</u>	<u>1,632,667</u>	<u>1,632,669</u>
Net book value			
At 31 March 2015	<u>2</u>	<u>1,632,667</u>	<u>1,632,669</u>
At 31 March 2014	<u>2</u>	<u>629,399</u>	<u>629,401</u>

Listed investments

At 31 March 2015 Listed Investments within Investments were held at cost of £1,455,809 (2014: £526,290).

The market value of the Listed Investments at 31 March 2015 was £1,482,976 (2014 - £512,810).

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	878,110	428,813	771,211	418,843
Amounts owed by Group undertakings	-	-	2,928,030	3,032,544
Prepayments and accrued income	20,067	15,542	18,125	13,548
	<u>898,177</u>	<u>444,355</u>	<u>3,717,366</u>	<u>3,464,935</u>

**13. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Corporation tax	144,267	1,843,368	95,650	1,822,030
Other taxation and social security	69,466	71,173	58,930	67,995
Other creditors	31,806	49,540	31,806	49,540
Accruals and deferred income	711,917	449,436	649,108	405,003
	<u>957,456</u>	<u>2,413,517</u>	<u>835,494</u>	<u>2,344,568</u>

14. SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
1,607,400 Ordinary shares of £0.25 each	<u>401,850</u>	<u>401,850</u>

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

15. RESERVES

Group	Investment property revaluation reserve £	Non- distributable reserve £	Profit and loss account £
At 1 April 2014	30,276,640	12,832,279	508,153
Profit for the financial year	-	-	1,111,488
Dividends: Equity capital	-	-	(800,000)
Movement on investment property	3,329,275	-	-
At 31 March 2015	<u>33,605,915</u>	<u>12,832,279</u>	<u>819,641</u>

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

Company	Investment property revaluation reserve £	Non- distributable reserve £	Profit and loss account £
At 1 April 2014	29,751,887	12,832,279	6,152
Profit for the financial year	-	-	963,110
Dividends: Equity capital	-	-	(800,000)
Movement on investment property	4,005,555	-	-
At 31 March 2015	<u>33,757,442</u>	<u>12,832,279</u>	<u>169,262</u>

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Group		
Opening shareholders' funds	44,018,922	36,905,636
Profit for the financial year	1,111,488	4,292,534
Dividends (Note 17)	(800,000)	(1,303,771)
Other recognised gains and losses during the year	3,329,275	4,124,523
	<u>47,659,685</u>	<u>44,018,922</u>
Closing shareholders' funds		
	<u>47,659,685</u>	<u>44,018,922</u>
Company		
Opening shareholders' funds	42,992,168	36,336,621
Profit for the financial year	963,110	4,207,184
Dividends (Note 17)	(800,000)	(1,303,771)
Other recognised gains and losses during the year	4,005,555	3,752,134
	<u>47,160,833</u>	<u>42,992,168</u>
Closing shareholders' funds		
	<u>47,160,833</u>	<u>42,992,168</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the Company was £963,110 (2014 - £4,207,184).

17. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>800,000</u>	<u>1,303,771</u>

18. RELATED PARTY TRANSACTIONS

M D Paisner is a partner of Berwin Leighton Paisner. During the year Berwin Leighton Paisner charged the Group £81,229 (2014: £96,666) in relation to property transactions, debt recovery and general legal advice. There was £12,000 (2014: £39,872) outstanding at the year end.

R Glatter is the proprietor of R G Consultancy. During the year R G Consultancy charged the Group £12,000 (2014: 15,177) in relation to rent and service charges.

The Company has used the exemption under Financial Reporting Standard 8 "Related Party Transactions" to not disclose the transactions with its subsidiary undertaking, Bluston Securities (Bordon) Limited.

BLUSTON SECURITIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. CONTROLLING PARTY

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

20. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Bluston Securities (Bordon) Limited	England and Wales	100	Property investment and management