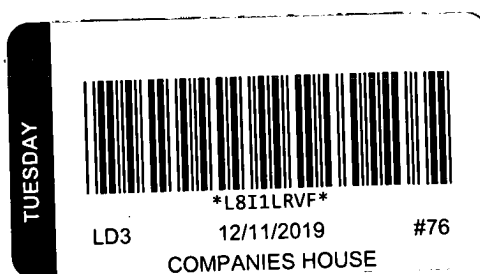


Registered number: 00650310

BLUSTON SECURITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



BLUSTON SECURITIES LIMITED

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 Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY

BLUSTON SECURITIES LIMITED

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BLUSTON SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

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.

Results and dividends

The loss for the year, after taxation, amounted to £1,565,878 (2018: profit £5,424,405).

During the year, the directors declared and paid dividends of £1,900,000 (2018: £1,900,000).

Business review

Turnover from rental income and service charges has decreased by 3.5%, from £3,609,829 to £3,482,806, in the year, due to there being greater back dated rent increases in the prior year for units in the Royal Arcade property. The uncertainties over Brexit are having adverse effects on market conditions. Despite this, with the exception of the Camper unit in the Royal Arcade which was vacated at the year end, all units continue 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 2019, which led to a decrease in the carrying value of the properties of £4,200,000. The accounting standards require valuations to be undertaken annually by a person of sufficient knowledge and expertise, and for the valuations to be materially up to date. The directors therefore requested Newton Perkins to value the property portfolio based on the movement in the market value in the year on the information available to them. This decrease in the value of the properties is primarily related to the properties held at the Royal Arcade in London. It should be noted that under FRS 102, the deferred tax on this loss has been recognised in the Balance Sheet. The impact of the deferred tax is recognised in profit or loss but then transferred to the revaluation reserve.

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

Directors

The directors who served during the year were:

M D Paisner CBE
R Glatter

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the 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.

Post balance sheet events

On 2 September 2019, an interim dividend was declared of 37.3274p per Ordinary share, totalling £600,000.

BLUSTON SECURITIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Auditor

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

Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


R Glatter
Director

Date: 24th October 2019.

BLUSTON SECURITIES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

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

Opinion

We have audited the financial statements of Bluston Securities Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUSTON SECURITIES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's or the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUSTON SECURITIES LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Jacqueline Oakes (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: *6 November 2019*

BLUSTON SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	3,504,185	3,635,189
Cost of sales		(741,043)	(989,759)
Gross profit		2,763,142	2,645,430
Administrative expenses		(427,901)	(284,481)
Fair value movements on investment property	14	(4,200,000)	4,153,043
Fair value movements on fixed asset investments	13	40,314	(61,938)
Operating (loss)/profit	5	(1,824,445)	6,452,054
Income from fixed assets investments	7	29,070	28,181
Interest receivable and similar income	8	5,568	1,521
Interest payable and expenses	9	(25,358)	(27,268)
(Loss)/profit before taxation		(1,815,165)	6,454,488
Tax on loss	10	249,287	(1,030,083)
(Loss)/profit for the financial year		(1,565,878)	5,424,405
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(1,565,878)	5,424,405
		(1,565,878)	5,424,405

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 14 to 35 form part of these financial statements.

BLUSTON SECURITIES LIMITED
REGISTERED NUMBER:00650310

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	843	1,124
Investments	13	1,810,044	1,764,116
Investment property	14	66,500,001	70,700,001
		<u>68,310,888</u>	<u>72,465,241</u>
Current assets			
Debtors: amounts falling due within one year	15	554,316	1,481,041
Cash at bank and in hand		1,279,603	748,610
		<u>1,833,919</u>	<u>2,229,651</u>
Creditors: amounts falling due within one year	16	(2,286,056)	(2,691,278)
Net current liabilities		<u>(452,137)</u>	<u>(461,627)</u>
Total assets less current liabilities		<u>67,858,751</u>	<u>72,003,614</u>
Provisions for liabilities			
Deferred taxation	18	(7,715,103)	(8,394,088)
		<u>(7,715,103)</u>	<u>(8,394,088)</u>
Net assets		<u>60,143,648</u>	<u>63,609,526</u>
Capital and reserves			
Called up share capital	19	401,850	401,850
Revaluation reserve	20	45,764,712	49,285,561
Other reserves	20	12,832,279	12,832,279
Profit and loss account	20	1,144,807	1,089,836
Equity attributable to owners of the parent Company		<u>60,143,648</u>	<u>63,609,526</u>
		<u>60,143,648</u>	<u>63,609,526</u>

BLUSTON SECURITIES LIMITED
REGISTERED NUMBER:00650310

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

R Glatter
Director

Date:


24th October 2019.

M D Paisner CBE
Director

Date:


9/11/19

The notes on pages 14 to 35 form part of these financial statements.

BLUSTON SECURITIES LIMITED
REGISTERED NUMBER:00650310

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	843	1,124
Investments	13	1,810,046	1,764,118
Investment property	14	63,330,001	67,325,001
		<u>65,140,890</u>	<u>69,090,243</u>
Current assets			
Debtors: amounts falling due within one year	15	2,886,586	3,881,312
Cash at bank and in hand		1,259,598	728,605
		<u>4,146,184</u>	<u>4,609,917</u>
Creditors: amounts falling due within one year	16	(2,163,494)	(2,581,035)
Net current assets		<u>1,982,690</u>	<u>2,028,882</u>
Total assets less current liabilities		<u>67,123,580</u>	<u>71,119,125</u>
Provisions for liabilities			
Deferred taxation	18	(7,715,103)	(8,394,088)
		<u>(7,715,103)</u>	<u>(8,394,088)</u>
Net assets		<u>59,408,477</u>	<u>62,725,037</u>
Capital and reserves			
Called up share capital	19	401,850	401,850
Revaluation reserve	20	46,166,239	49,482,088
Other reserves	20	12,832,279	12,832,279
Profit and loss account	20	8,109	8,820
		<u>59,408,477</u>	<u>62,725,037</u>

BLUSTON SECURITIES LIMITED
REGISTERED NUMBER: 00650310

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Parent Company for the year was £1,416,560 (2018: profit of £5,236,972).

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

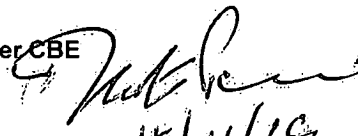
The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Glatter
Director



Date: *24th October 2019*

M D Paisner CBE
Director



Date:

4/11/19

The notes on pages 14 to 35 form part of these financial statements.

BLUSTON SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2017	401,850	45,729,157	12,832,279	1,121,835	60,085,121
Comprehensive income for the year					
Profit for the year	-	-	-	5,424,405	5,424,405
Total comprehensive income for the year	-	-	-	5,424,405	5,424,405
Dividends: Equity capital	-	-	-	(1,900,000)	(1,900,000)
Transfer to/from profit and loss account	-	3,556,404	-	(3,556,404)	-
Total transactions with owners	-	3,556,404	-	(5,456,404)	(1,900,000)
At 1 April 2018	401,850	49,285,561	12,832,279	1,089,836	63,609,526
Comprehensive income for the year					
Loss for the year	-	-	-	(1,565,878)	(1,565,878)
Total comprehensive income for the year	-	-	-	(1,565,878)	(1,565,878)
Dividends: Equity capital	-	-	-	(1,900,000)	(1,900,000)
Transfer to/from profit and loss account	-	(3,520,849)	-	3,520,849	-
Total transactions with owners	-	(3,520,849)	-	1,620,849	(1,900,000)
At 31 March 2019	401,850	45,764,712	12,832,279	1,144,807	60,143,648

BLUSTON SECURITIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	401,850	46,000,684	12,832,279	153,252	59,388,065
Comprehensive income for the year					
Profit for the year	-	-	-	5,236,972	5,236,972
Total comprehensive income for the year	-	-	-	5,236,972	5,236,972
Dividends: Equity capital	-	-	-	(1,900,000)	(1,900,000)
Transfer to/from profit and loss account	-	3,481,404	-	(3,481,404)	-
At 1 April 2018	401,850	49,482,088	12,832,279	8,820	62,725,037
Comprehensive income for the year					
Loss for the year	-	-	-	(1,416,560)	(1,416,560)
Total comprehensive income for the year	-	-	-	(1,416,560)	(1,416,560)
Dividends: Equity capital	-	-	-	(1,900,000)	(1,900,000)
Transfer to/from profit and loss account	-	(3,315,849)	-	3,315,849	-
At 31 March 2019	401,850	46,166,239	12,832,279	8,109	59,408,477

BLUSTON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Bluston Securities Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investment property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

2.2 Disclosure exemptions

The Parent Company meets the definition of a qualifying entity as set out in FRS 102. Accordingly in preparing the separate financial statements of the Parent Company, the following disclosure exemptions in FRS 102 have been adopted:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented, as the reconciliations for the Group and the Parent Company would be identical;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been provided for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

2.3 Cash flow exemption

In preparing the separate financial statements of the Group and Parent Company, the following disclosure exemptions in FRS 102 have been adopted:

- In accordance with 7.1B of FRS 102 as a small entity, the requirements of Section 7 to prepare a statement of cash flows have not been applied.

BLUSTON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.5 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Company and Group are a going concern and have concluded that there are no material uncertainties that may cast doubt on the Company's and Group's ability to continue as a going concern. Although the Group shows a net current liability position, £615k relates to deferred rental income which does not represent a cash outflow. Excluding this the Group has positive net current assets.

2.6 Revenue

Revenue represents the amounts receivable for rental income, service charges, goods and services, net of VAT.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rental income and service charges are recognised on the basis of the amount receivable for the year. Where there is a material rent free period on the lease incentive, and the amount is considered to be recoverable, the income is spread evenly over the lease term. The lease term represents the non-cancellable period for which the lessee has contract to lease the asset together with any further terms for the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Rents received in advance are shown as deferred income in the Balance Sheet.

BLUSTON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures & fittings	- 25% reducing balance
---------------------	------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.10 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Investments properties are remeasured to fair value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price, including transaction costs. Except for those financial assets and liabilities classified as at fair value through profit or loss, where they are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

2.14 Financial instruments (continued)

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the conditions are measured at undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Current and deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated 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 reporting date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.16 Current and deferred taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.17 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

Non-financial assets comprise tangible fixed assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

Financial assets comprise trade and other debtors.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.17 Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified as interest payable.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carry value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Lease incentives

Where there is a material rent free period on the lease incentive, and the amount is considered to be recoverable, the income is spread evenly over the lease term. The lease term represents the non-cancellable period for which the lessee has contract to lease the asset together with any further terms for the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option. Judgement is therefore required for each specific lease in order to determine whether the non-cancellable period is considered to be up to the end of the lease term, or up to the break date.

Key sources of estimation uncertainty

Investment property

The valuation of the property held is a central component of the business. In estimating the fair value, management periodically engage third party qualified valuers to perform the valuation. At reporting dates where a third party value has not been sought, the directors will provide their own fair value estimates having regard to their knowledge of up to date relevant market information which will include speaking informally to third parties from within the industry.

The investment properties held are principally valued using the residual value method of valuation. Under this methodology the directors use the yield methodology valuation technique which uses market rental values capitalised with market capitalisation rates. The resulting valuations cross checked against initial yields and fair market value from recent market transactions. A change in estimated rental values or yield will change the valuation. The interrelationship between all of these inputs is determined by market conditions.

Details of the amounts in respect to investment properties are disclosed in note 15.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Rental income and service charge income	3,482,806	3,609,829
Recovered expenses	21,379	25,360
	<u>3,504,185</u>	<u>3,635,189</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of fixed assets	281	375
Other operating lease rentals	42,584	36,400
	<u></u>	<u></u>

6. Employees

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

	2019 No.	2018 No.
Office	<u>2</u>	<u>2</u>

7. Income from investments

	2019 £	2018 £
Dividend income from fixed asset investments	<u>29,070</u>	<u>28,181</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Interest receivable

	2019 £	2018 £
Other interest receivable	5,568	1,521

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	25,358	27,268

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	436,938	428,644
Adjustments in respect of previous periods	(7,240)	4,800
	429,698	433,444
Deferred tax		
Origination and reversal of timing differences	(679,198)	596,639
Adjustments in respect of previous periods	213	-
Total deferred tax	(678,985)	596,639
Taxation on (loss)/profit on ordinary activities	(249,287)	1,030,083

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(1,815,165)</u>	<u>6,454,488</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(344,881)</u>	<u>1,226,353</u>
Effects of:		
Adjustments to tax charge in respect of prior periods	(7,027)	4,800
Change in tax rates	79,940	(81,561)
Indexation allowance	-	(101,106)
Other differences leading to (decrease) in taxation	-	(967)
Expenses/(income) not deductible for tax purposes	22,375	-
Non-taxable income	-	(3,070)
Movement in deferred tax not recognised	306	(14,366)
Total tax charge for the year	<u>(249,287)</u>	<u>1,030,083</u>

Factors that may affect future tax charges

Finance Bill 2016 provides that the rate of corporation tax for the 2020 Financial Year (commencing 1 April 2020) will be 17%.

11. Dividends

	2019 £	2018 £
Dividends paid on ordinary shares	<u>1,900,000</u>	<u>1,900,000</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets.

Group and Company

	Fixtures & fittings £
Cost	
At 1 April 2018	35,491
At 31 March 2019	<u>35,491</u>
Depreciation	
At 1 April 2018	34,367
Charge for the year	281
At 31 March 2019	<u>34,648</u>
Net book value	
At 31 March 2019	<u>843</u>
At 31 March 2018	<u>1,124</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Fixed asset investments

Group

	Listed investments £
Valuation	
At 1 April 2018	1,764,116
Additions	409,291
Disposals	(467,167)
Revaluations	40,314
Transfer between classes	63,490
At 31 March 2019	<u>1,810,044</u>

Listed investments represent investments in non-puttable ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £1,711,483 (2018: £1,761,375).

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Listed investments £	Total £
Valuation			
At 1 April 2018	2	1,764,116	1,764,118
Additions	-	409,291	409,291
Disposals	-	(467,167)	(467,167)
Revaluations	-	40,314	40,314
Transfer between classes	-	63,490	63,490
At 31 March 2019	<u>2</u>	<u>1,810,044</u>	<u>1,810,046</u>

Listed investments represent investments in non-puttable ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £1,711,483 (2018: £1,761,375).

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Bluston Securities (Bordon) Limited	25 Moorgate London EC2R 6AY	Property investment and management	Ordinary	100%

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Investment property

Group

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2018	15,700,000	55,000,001	70,700,001
Deficit on revaluation	(1,200,000)	(3,000,000)	(4,200,000)
At 31 March 2019	<u>14,500,000</u>	<u>52,000,001</u>	<u>66,500,001</u>

Company

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2018	12,325,000	55,000,001	67,325,001
Deficit on revaluation	(995,000)	(3,000,000)	(3,995,000)
At 31 March 2019	<u>11,330,000</u>	<u>52,000,001</u>	<u>63,330,001</u>

The 2019 valuations of the Company and the Group were made by the directors after advice from Newton Perkins, on an open market value for existing use basis on the market growth capital values since the previous full valuations undertaken. The underlying capital growth and yield assumptions used in the valuation were reviewed by the directors and were considered to be appropriate.

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	478,994	1,457,906	463,994	1,447,907
Amounts owed by group undertakings	-	-	2,348,702	2,411,177
Other debtors	13,531	10,469	13,531	10,466
Prepayments and accrued income	61,791	12,666	60,359	11,762
	<u>554,316</u>	<u>1,481,041</u>	<u>2,886,586</u>	<u>3,881,312</u>

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	1,200,000	1,200,000	1,200,000	1,200,000
Trade creditors	4,796	24,136	4,796	24,136
Corporation tax	236,602	205,463	200,055	165,158
Other taxation and social security	135,261	289,552	124,254	278,684
Other creditors	23,178	26,088	23,178	26,088
Accruals and deferred income	686,219	946,039	611,211	886,969
	<u>2,286,056</u>	<u>2,691,278</u>	<u>2,163,494</u>	<u>2,581,035</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,810,044	1,764,116	1,810,044	1,764,116
Financial assets measured at undiscounted cost	478,994	1,481,040	463,994	1,459,688
Cash	1,279,603	748,608	1,259,598	728,705
	<u>3,568,641</u>	<u>3,993,764</u>	<u>3,533,636</u>	<u>3,952,509</u>
Financial liabilities				
Financial liabilities measured at undiscounted cost	<u>1,298,607</u>	<u>2,127,282</u>	<u>1,280,971</u>	<u>1,912,457</u>

Financial assets measured at fair value through profit or loss comprise listed investments.

Financial assets measured at undiscounted cost comprise trade debtors and accrued income.

Financial liabilities measured at undiscounted cost comprise trade creditors, other creditors and accruals.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2019 £	2018 £
Interest received on financial assets measured at fair value through profit or loss	12,110	22,048
Fair value movements on financial assets measure at fair value through profit or loss	40,314	(61,938)
Interest received on financial assets measured at undiscounted cost	5,559	1,517
Interest paid on financial liabilities measured at undiscounted cost	<u>55,442</u>	<u>27,269</u>

BLUSTON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and cash flow risk.

Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash and cash equivalents which earn interest at a variable rate. The Group's debt comprises an overdraft which results in limited interest charges. The Group has a policy of keeping their debt levels to a minimum to reduce the exposure to interest payments. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Liquidity and cash flow risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses short term debt finance in the form of an overdraft.

18. Deferred taxation

Group

	2019 £
At beginning of year	(8,394,088)
Charged to profit or loss	678,985
At end of year	<u>(7,715,103)</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. Deferred taxation (continued)

Company

	2019 £
At beginning of year	(8,394,088)
Charged to profit or loss	678,985
At end of year	<u>(7,715,103)</u>

The provision for deferred taxation is made up as follows:

	Group 2019 £	Company 2019 £
Deferred tax on investment property revaluation	(7,715,103)	(7,715,103)
	<u>(7,715,103)</u>	<u>(7,715,103)</u>

19. Share capital

	2019 £	2018 £
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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

20. Reserves

Revaluation reserve

This reserve relates to the cumulative unrealised gains/(deficits) recognised on the Company's investment properties net of any associated deferred tax movements.

Non-distributable reserve

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. The reserve represents the cumulative surplus in respect of disposals previously made.

Profit & loss account

This reserve relates to the cumulative profits and losses earned by the Company less amounts distributed to shareholders.

21. Amounts receivable and payable under operating leases

At 31 March 2019 the Group and the Company had future minimum lease amounts receivable under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	2,428,732	2,843,278	2,193,088	2,608,278
Later than 1 year and not later than 5 years	6,571,891	7,739,032	5,667,206	6,798,388
Later than 5 years	3,727,170	4,839,091	3,018,787	3,931,023
	<u>12,727,793</u>	<u>15,421,401</u>	<u>10,879,081</u>	<u>13,337,689</u>

At 31 March 2019 the Group and the Company had future minimum lease amounts payable under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	43,054	41,800	43,054	41,800
	<u>43,054</u>	<u>41,800</u>	<u>43,054</u>	<u>41,800</u>

BLUSTON SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. Related party transactions

M D Paisner is a partner of Bryan Cave Leighton Paisner who during the year charged the Company £31,496 (2018: £93,562) in relation to property transactions, debt recovery and general legal advice. There was no balance (2018: £13,980) outstanding at the year end.

During the year R G Consultancy charged the Company £Nil (2018: £32,600) in relation to rent, services and expenses.

The total remuneration for key management personnel for the period totalled £230,278 (2018: £198,023).

The Parent Company has taken the exemption under FRS 102 Section 33 "Related Party Disclosures" to not disclose the transactions with its wholly owned subsidiary, Bluston Securities (Bordon) Limited.

23. Post balance sheet events

On 2 September 2019, an interim dividend was declared of 37.3274p per Ordinary share, totalling £600,000.

24. Controlling party

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