

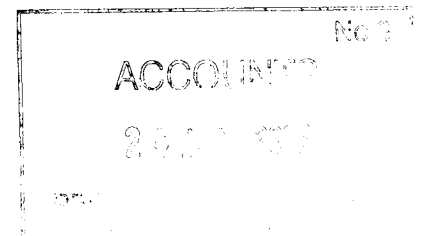
256691

**BLUSTON CHARITABLE
SETTLEMENT OF 15 MARCH 1968**

Financial statements

Year Ended 5 April 2006

Charity No: 256691



BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968
Report and Financial Statements for the year ended 5 April 2006

Contents

Page:

- 2. Legal and administrative information
- 3. Report of the trustees.
- 5. Report of the independent auditors.
- 7. Statement of financial activities.
- 8. Balance sheet.
- 9. Notes forming part of the financial statements.

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Legal and administrative information

Settlor	Jack Bluston
Trustees	Martin David Paisner Daniel Isaac Dover
Solicitors	Berwin Leighton Paisner, Adelaide House, London Bridge, London EC4R 9HA
Bankers	Barclays Bank plc, 9 Portman Square, London W1A 3AL
Accountants and Auditors	Gallaghers, P O Box 698, Second Floor, Titchfield House, 69-85 Tabernacle Street, London EC2A 4R
Investment Managers	Barclays Private Bank plc, 43 Brook Street, London W1K 4HJ

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Report of the trustees for the year ended 5 April 2006

The trustees present their report along with the financial statements of the charity for the year ended 5 April 2006. The financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with the charity's trust deed and applicable law.

Constitution and objects

The Bluston Charitable Settlement is constituted under a trust deed dated 15 March 1968 and the Settlor is Jack Bluston. It is a registered charity no 256691.

The objects of the charity are for the Trustees to hold the Trust Fund and the income thereof to or towards or for the benefit or in furtherance of such charitable purposes or charitable institutions as the Trustees shall in their absolute discretion think fit.

Organisation

The trustees who have served during the year and since the year end are set out on page 2. The Charity has no employees

Grant making policy

The Trustees meet quarterly to consider applications from a wide range of charities. During the year ended 5 April 2006, the trustees have supported charities in the following areas:

- Education of children
- Capital expenditure projects for schools and other educational establishments.
- Support for the welfare of the underprivileged
- Support of hospitals and medical institutions
- Universities for specific research projects

Financial review and investment policy

During the year, the charity had income of over £5m and the Trustees made donations of £1,090,794 (2005: £858,711). The trustees have funds under management with Barclays Private Bank who operate the investment strategy on behalf of the trustees.

The Trustees hope to maintain the same level of donations made by the charity in the near future.

Reserves policy

The intention of the Trustees is to retain the Bluston Securities Limited shares (which are not tradable) together with the other assets received from the Estate of the late Elizabeth Bluston, as long term investments. They will distribute the Trust income within a reasonable period from each year end.

Risk management

The trustees have not identified any specific risks that attach to the administration of the Trust.

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Report of the trustees for the year ended 5 April 2006 (continued)

Trustees' responsibilities in relation to the financial statements

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

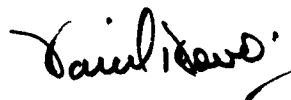
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statement of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



Martin D Paisner



Daniel I Dover

Date: 22 January 2007

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Report of the independent auditors

Report of the independent auditors to the trustees of Bluston Charitable Settlement of 15 March 1968

We have audited the financial statements set out on pages 7 to 13 for the year ended 5 April 2006 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of trustees and auditors

The Trustee's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Report of the independent auditors (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity at 5 April 2006 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.



Gallaghers
PO Box 698
Second Floor
Titchfield House
69-85 Tabernacle Street
London
EC2A 4RR

Date: 22 January 2007

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968**Statement of Financial Activities for the year ended 5 April 2006**

	Notes	2006 £	2005 £
Incoming resources			
Donations and gifts	2	4,707,206	-
Activities for generating funds:	3	305,277	582,433
Investment income			
Total incoming resources		<u>5,012,483</u>	<u>582,433</u>
Resources expended			
Costs of generating funds:			
Professional costs	4	<u>8,217</u>	<u>6,461</u>
		8,217	6,461
Charitable expenditure:			
Charitable activities-Grants payable	5	<u>1,090,794</u>	<u>858,711</u>
		1,099,011	865,172
Governance Costs	6	16,052	21,696
Total resources expended		<u>1,115,063</u>	<u>886,868</u>
Net Incoming/(outgoing) resources before other recognised gains and losses		3,897,420	(304,435)
Other recognised gains and losses:			
Gain on investments	7	138,217	95,774
Unrealised gain on quoted investments	7	166,463	(23,823)
Net movement in funds		<u>4,202,100</u>	<u>(232,484)</u>
Balance at 6 April 2005		6,433,435	6,665,919
Balance at 5 April 2006		<u>10,635,535</u>	<u>6,433,435</u>

All funds are unrestricted

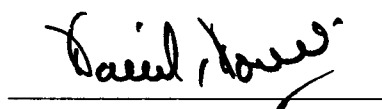
BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968**Balance sheet as at 5 April 2006**

	Notes	2006 £	2005 £
Fixed assets			
Quoted Investments	7	2,705,242	73,613
Unquoted Investments	8	7,609,440	5,819,130
Cash for Investment		262,078	94,254
		<u>10,576,760</u>	<u>5,986,997</u>
 Current assets			
Debtors	9	6,573	2,003
Cash at bank and in hand	10	<u>61,603</u>	<u>448,548</u>
		68,176	450,551
 Creditors: amounts falling due within one year	11	<u>9,401</u>	<u>4,113</u>
 Net current assets		<u>58,775</u>	<u>446,438</u>
 Total net assets		<u>10,635,535</u>	<u>6,433,435</u>
 Unrestricted Funds		<u>10,635,535</u>	<u>6,433,435</u>

These Financial Statements were approved by the trustees on 22 January 2007



M D Paisner



D I Dover

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Notes forming part of the financial statements for the year ended 5 April 2006

1. Principal accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention except for quoted investments which are included at market value and in preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

(b) Investment Income

Investment income is account for in the period in which the charity is entitled to receipt.

(c) Expenditure is included on an accruals basis.

(d) Fixed asset investments

Quoted Investments are stated at their closing mid market value at the balance sheet date and any gain or loss on revaluation is taken to the SOFA. The Unquoted investments are stated at the most recently obtained market value, less provision for any permanent diminution in value. Full valuations are prepared every 5 years.

(e) Funds structure. All funds are unrestricted

2. Donations and gifts

	2006 £	2005 £
Interim distributions from the Estate of the Late Elizabeth Bluston	4,707,283	-
	<u>4,707,283</u>	<u>-</u>

3. Investment income

UK Fixed Interest securities	8,150	1,210
Foreign Fixed Interest securities	9,065	1,880
UK quoted equities	7,942	13,199
UK unquoted equities	275,040	560,880
UK Unit Trusts		1,544
Interest on cash deposits – received gross	5,080	3,720
	<u>305,277</u>	<u>582,433</u>

4. Professional costs

Investment Management Fees	<u>8,217</u>	<u>6,461</u>
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BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Notes forming part of the financial statements for the year ended 5 April 2006
(continued)

5.	Grants payable	Charity Number	2006 £	2005 £
	Beit Midrash Taharot	580301349		13,408
	Beth Jacob Seminary for Girls	327912		50,000
	British Friends of Yeshivat Chedvat Hatorah	1090069	45,000	
	British Friends of Ohel Sarah	1004992	25,000	10,000
	British Friends of Jaffa Institute	282049	15,000	10,000
	British Institute of International and Comparative Law	209425		25,000
	Chai Cancer Care	1078956		50,000
	Community Trading Limited	8052559/24479000	2,000	
	Cosgrove Care	SC13208	10,000	
	Council for a Beautiful Israel	266408		91,841
	Dalaid	1064655	50,000	0
	Encounter-Jewish Outreach Network	1064674	20,000	
	Ezer Mizion	1073496	28,377	12,500
	Friends of Lubavitch UK	227638		3,600
	Friends of Mir Yeshiva	270864	50,000	100,000
	Friends of Sapir Medical Center		73,271	
	Friends of the Israel Aged (REUTH)	278505		27,855
	Gateshead Talmudical College	527414		30,000
	Hadassah UK	1040848	10,000	
	HGSS friends of Lvov	1101079	17,118	10,810
	Holocaust Educational Trust	327640	10,000	10,000
	ILAN	1061061	27,525	
	Imperial War Museum	294360	10,000	10,000
	I Rescue	1077913	20,000	
	JAMI	1003345	15,000	
	Jewish Care	802559	50,000	100,000
	Jewish Marriage Council	281236		10,000
	Keren Hatorah	281384		10,000
	Kisharon	271519	25,000	0
	London Academy of Jewish Studies	270680	30,000	15,000
	Magen David Adom	210770		5,000
	Mechinoh Boys School	326264	10,000	0
	Mentor UK	1072619	15,000	15,000
	Ner Yisroel Charitable Trust	327078		3,000
	New Israel Fund	1060081		5,000
	Nightingale House	207316	120,000	0
	North West Jewish Day School	312519	20,000	0
	Ohel Torah Beth David	327912	30,000	
	Prisoners Abroad	1093710	25,000	0
	Queen Mary, University of London		12,500	12,500
	Balance carried forward		765,791	630,514

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968**Notes forming part of the financial statements for the year ended 5 April 2006
(continued)**

	Charity Number	2006 £	2005 £
Balance brought forward		765,791	630,514
Rachel Charitable Trust	276441	0	5,000
The Clubhouse	1097081	25,000	0
The Hope Centre	1056674		5,000
UCL Oncology		9,653	8,769
University College London		6,250	6,578
UJS Hillel	313503	5,000	0
World Jewish Aid	328488	0	5,000
Weizmann Institute Foundation	232666	39,100	0
World Jewish Relief	290767	100,000	130,000
Yeshivas Sha'arei Torah College Building Fund	1060716	115,000	40,000
Yesodey Hatorah Schools	1103911	25,000	25,000
Zichron Menachem	1102612	0	2,850
		<u>1,090,794</u>	<u>858,711</u>

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Notes forming part of the financial statements for the year ended 5 April 2006
(continued)

	2006 £	2005 £
6. Governance costs		
Accountancy fees	0	16,310
Bank charges	564	273
Legal Fees	4,700	0
Auditors Fees	5,288	4,113
Trust management fee	5,500	1,000
	<u>16,052</u>	<u>21,696</u>

No trustees received remuneration or were reimbursed for expenses in the current or preceding year.

M D Paisner is a Partner of Berwin Leighton Paisner. This firm provided and continues to provide, legal services and general management for the Trust. The total fees (including VAT and disbursements) paid to the firm during the year to 5 April 2006 were £4,700 (2005 -nil). D I Dover is a Partner of BDO Stoy Hayward which provided bookkeeping, accounting services and general management of the Trust. The total fees (including VAT and disbursements) paid to the firm during the year to 5 April 2006 were nil (2005-£16,310).

	2006 £	2005 £
7. Quoted Investments		
Market value at 6 April 2005	73,613	774,888
Cost of acquisitions in the year	4,879,582	76,833
Proceeds from disposal	<u>2,552,633</u>	<u>850,059</u>
Net cash invested year	<u>2,326,949</u>	<u>(773,226)</u>
	2,400,562	1,662
Realised Gains year	138,217	95,774
Movement in unrealised valuation gains in the year	166,463	<u>(23,823)</u>
Net gains in the year	<u>304,680</u>	<u>71,951</u>
Market value at 5 April 2006	<u>2,705,242</u>	<u>73,613</u>
Investments at market value comprised:		
UK Fixed Interest securities	-	0
Foreign Fixed Interest securities	-	8,413
Foreign equities	73,786	0
UK Unit Trusts	-	0
Foreign Unit Trusts	2,631,456	0
Hedge Funds		65,200
	<u>2,705,242</u>	<u>73,613</u>

BLUSTON CHARITABLE SETTLEMENT OF 15 MARCH 1968

Notes forming part of the financial statements for the year ended 5 April 2006
(continued)

8. Unquoted Investments

	2006 £	2005 £
Market value at 6 April 2005	5,819,130	5,328,360
Additions	<u>1,790,310</u>	<u>0</u>
Market value at 5 April 2006	<u>7,609,440</u>	<u>5,819,130</u>

The unquoted investment held is 701,100 Ordinary shares in Bluston Securities Ltd. The latest valuation obtained is £8.30 per share, as at 21 March 2001. A further 215,700 shares was received as part of a distribution from the Estate of the late Mrs E Bluston. These shares are valued on the same basis as the shares already held at £8.30 per share. The valuation was carried out by the Share Valuation Division of BDO Stoy Hayward LLP in conjunction with Smith Melzack, Chartered Surveyors.

9 Debtors

	2006 £	2005 £
Income tax recoverable	323	323
Amounts awaiting reinvestment	0	1,680
Other debtor	<u>6,250</u>	<u>0</u>
	<u>6,573</u>	<u>2,003</u>

10 Cash at bank and in hand

Cash at bank	61,603	0
Short term deposits	<u>0</u>	<u>448,548</u>
	<u>61,603</u>	<u>448,548</u>

11. Creditors: Amounts falling due within one year

	2006 £	2005 £
Accountancy fees	9,401	4,113
	<u>9,401</u>	<u>4,113</u>