

ANNUAL REPORT

1ST JUNE 2012—31ST MAY 2013

THE SUNDAY TIMES

Economy up, magic weather, Lions win, and now for Andy



Royal baby fever set to boost the economy by £240million



Sunshine boosts consumer spending

By Press Association, Jul 8, 2013

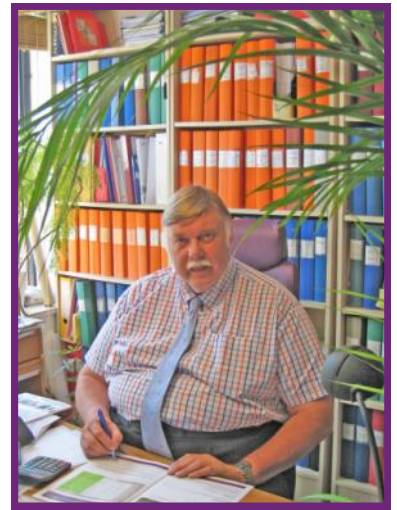
London 30th July 2013

MANAGING DIRECTOR'S STATEMENT

What a (business) year!

This business year 1st June 2012 to 31st May 2013 has felt like a rollercoaster ride, finding cash has at times, been very “close to the knuckle”.

I am glad to say that although we are still actively seeking a purchaser for 657 Commercial Road, we are receiving a healthy income from the property of £334,400/ annum. In the meantime, we are still pursuing the possibility of mortgaging the property. We will also have £25,000/annum commencing September 2013 from the restaurant.



CG Pettersson

Dismantling of the East London Portfolio.

After becoming the 100% owner of Redab Residential Ltd during the last business year we have started to sell off the portfolio. During the Spring of 2013 a lot of hard work has been put into selling the apartments both in-house and by using numerous agents.

The good news is that six sales have now been agreed subject to contract, and, hopefully, we will have exchanged on five apartments before the AGM.

5 new apartments at Jubilee Heights, Kilburn.

Work on site started as planned prior to Christmas 2012. Now in mid-July we are starting on the roof, and Floor 1 will be ready as the show flat by late August 2013. Our target for Practical Completion is 15th November 2013. We have already had a lot of interest in the five new apartments at Kilburn, which is very promising.

657 Commercial Road, London.

The project was officially opened 30th May 2013 and the tenant of the apartments began their fit-out with furniture, T.V's etc. Rent commenced on the 21st June 2013.

The restaurant is let, and the tenant will take occupation for fit-out September 2013. Rent commences six months later.

We are working with a target of securing a mortgage during August 2013. The expected increase in value over the next five years is £750,000—£1,000,000, so it makes it worth while to keep the property.

Figures.

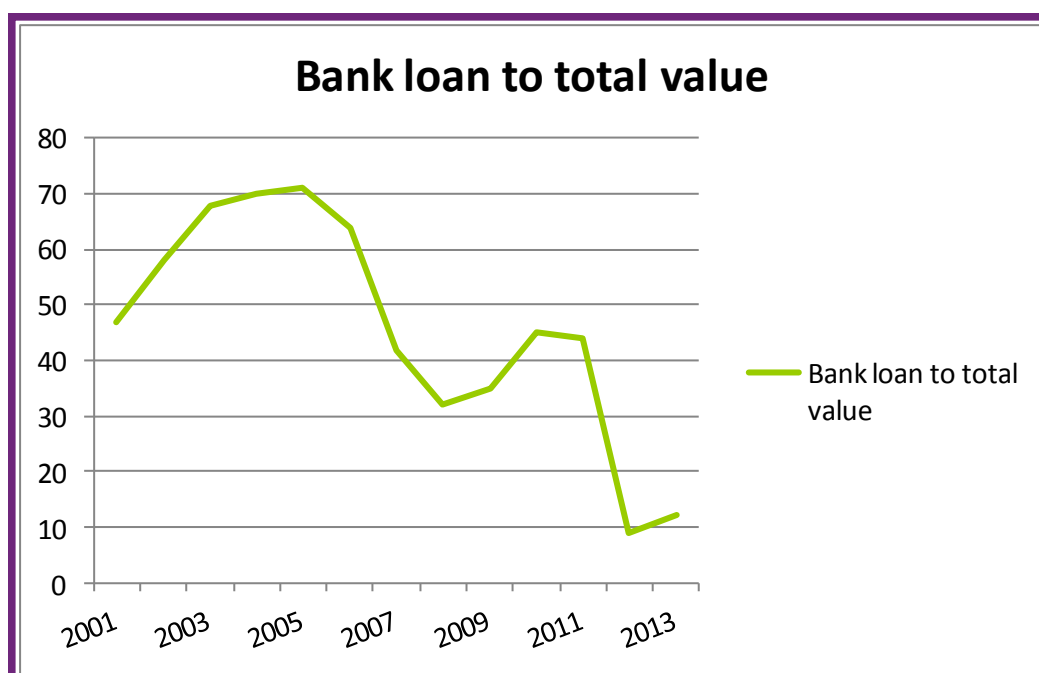
We are very happy to present that the Net Asset Value has reached close to £4.5M +8.7% compared to May 2012.

The loss for the year was £296,545 depending on interest on subordinated loan not being activated on the projects.

Funding.

A bank loan in Kilburn was drawn to £1,107,650 as well as bridge funding until the sale of the East London Portfolio £140,625 = £1,248,275. Compared to a value of £10,802,456.

Bank funding of 11.6% means the Company is still asset rich, but running low on cash because of very low gearing.



Forecast 31st May 2014.

Hopefully, our on-going project will continue as forecast and we will pass 50p per share during the next business year. Looking beyond 31st May 2014, we will take a thorough look at the company's situation.

CG Pettersson Managing Director

THE LONDON PROPERTY MARKET

London forecast to be the second most competitive city in 2025

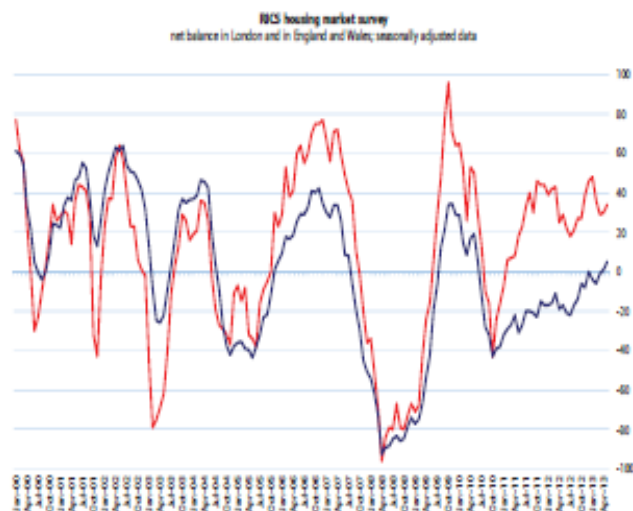
The Hot Spots 2025 report produced by The Economist Intelligence Unit for Citigroup forecasts that in 2025 London will rank behind only New York in competitiveness noting that “while there is much concern in the West about the lingering impacts of the financial crises that have slowed plans for urban renewal, this has not reduced the ability of US, Canadian and European cities to attract capital, businesses and people, which is ultimately what this Index seeks to measure.

Surveyors report that house prices are rising

- The RICS survey shows a positive net balance of 34 for London house prices over the three months to May 2013.
- Surveyors reported a positive net house price balance of 5 for England and Wales over the three months to May 2013.
- London’s net house price balance is higher than that of England and Wales.

Latest release: June 2013

Next release: July 2013

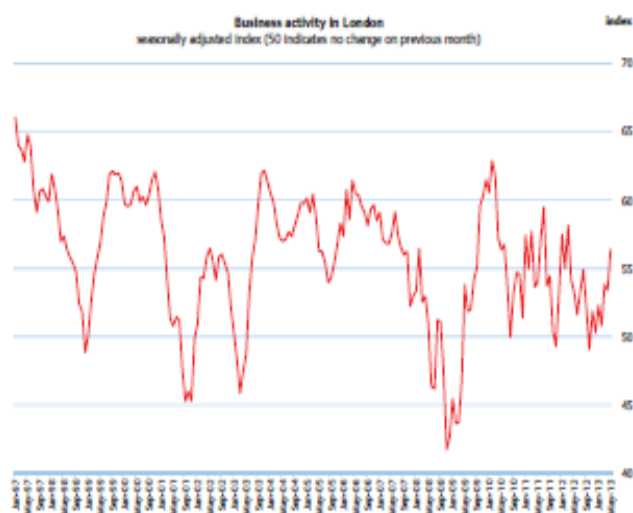


London's business activity increasing

- London firms increased their output of goods and services in May 2013.
- The Purchasing Managers' Index (PMI) of business activity recorded 56.4 in May 2013 compared to 53.4 in April 2013.
- A rate of above 50 on the index indicates an increase in business activity from the previous month.

Latest release: June 2013

Next release: July 2013



THE LONDON PROPERTY MARKET



Small firms still starved of loans by banks

BANKS are still starving businesses of the cash they need to thrive in what is a serious threat to the economic recovery, figures showed yesterday.

The Bank of England said lending to British firms fell by £3billion in April – the biggest slump this year. Lending to small businesses was down £660million year on year in yet another sign that the government's Funding for Lending Scheme is not

By **Hugo Duncan**
Economics Correspondent

working. It was launched last August in an effort to provide cheap loans.

There is evidence that mortgage lending has increased but small firms in particular continue to be deprived of the funds they need to grow and create jobs. Samuel Tombs, UK economist at Capital

Economics, said: 'The Funding for Lending Scheme has not driven a recovery in borrowing. We continue to think that a strong and sustained economic recovery will remain elusive so long as overall bank lending remains this weak.'

The Daily Mail launched its Make the Banks Lend campaign nearly three years ago to draw attention to the plight of small firms.

London property market now streets ahead of rest of UK

MONDAY 1 JULY 2013 EVENING STANDARD

Daily Mail, Saturday, June 1, 2013

Banks 'still leave small firms in the cold'

SMALL businesses are being 'left out in the cold' nearly a year after the Government launched an emergency cash lifeline to rescue them, figures revealed yesterday.

The Bank of England warned that net lending continues to drop sharply, down £300million between January and March.

Net lending is the total handed out by banks, building societies and other lenders, minus the total repaid by customers.

The figures reveal that two of the biggest culprits are Lloyds and Royal Bank of Scotland, which were bailed out by tax-

By **Becky Barrow**
Business Correspondent

payers nearly five years ago. Since last summer, their net lending has collapsed by nearly £11billion – £6.6billion for Lloyds and £4billion for RBS.

The fall comes despite the Funding for Lending scheme, launched last August, which lets banks borrow an unlimited amount of money for as little as 0.25 per cent as long as they maintain, or increase, lending.

John Longworth, of the British Chambers

of Commerce, said: 'The real test for Funding for Lending is whether it is able to get credit flowing to young and fast-growing businesses.'

'Unfortunately, many of these growth firms are still being left out in the cold when it comes to accessing finance.'

Lloyds and Royal Bank of Scotland insist they are lending to small firms.

But they said their dire net lending figures are being skewed by shutting down high-risk parts of their business, such as commercial property loans.

Daily Mail, Tuesday, June 4, 2013

ENERGY & SUSTAINABILITY



Structure.

In residential development we have used timber structures for sustainability. Low transmission values have been achieved, approximately 50% of the normal UK standard requirements.

U-Values.

Windows — Triple glazed with a U-value of 0.89

Walls — U-value 0.16

Roof — U-value 0.15

Air-conditioning.

Used to meet top market requirements of standard, but with advanced control so each user gets to know how much energy is used.

Rain water.

Rainwater is saved for watering the garden.

Ventilation with energy recovery.

At Kilburn we are using solar panels to heat the swimming pool and also produce electricity to sell back to the grid, this can be offset against the consumption of power in the air-conditioning.

PRESENTATION OF CURRENT INVESTMENTS

Jubilee Heights & Cedar Lodge, Redab Kilburn Ltd.

Completed flats & ground rent					
Flat No	Detail	Sq.ft.	Cluttons Valuation May 2012	Rental income per month	Rental income per annum
3	2 bed, 2 bath	1056	£425,000	£1,860	£22,320
4	2 bed, 2 bath	1051	£425,000	£1,770	£21,240
6	1 bed, 1 bath	650	£290,000	£1,408	£16,896
7	1 bed, 1 bath	650	£290,000	£1,425	£17,100
8	1 bed, 1 bath	650	£290,000	£1,408	£16,896
Ground rent			£683,687	£3,070	£36,840
Total				£10,941	£131,292
Current market value as per Cluttons valuation including Ground rent			£2,403,687		

The rents have improved on last year by 1.70%.

Gross return on value 5.45%.

Project analysis for 5 new apartments at Jubilee Heights, Kilburn.

The five new apartments were advertised during April, May and June 2013 in Wings Magazine (Nigerian in-flight magazine).

A show area was ready to be presented to potential purchasers mid-July 2013, and the 1st floor flat will be ready by August 2013.

By the end of May 2013 the project has been booked to cost plus £155,000 in surplus.

Funding for the development comes from United Trust Bank (UTB) against security of the freehold, the five existing flats and the five under construction. Funding to be repaid 1st February 2014.

PRESENTATION OF CURRENT INVESTMENTS

657-663 Commercial Road, Redab Commercial Ltd.

	31.05.13	31.05.14	31.05.15	31.05.16	31.05.17
Yearly income gross	£334,400	£344,432	£354,764	£365,410	£376,370
Restaurant	£4,200	£25,000	£25,000	£25,000	£25,000
Landlords cost estimate based on offers for maintenance	-£10,922	-£13,280	-£14,840	-£16,400	-£18,000
Forecast net income	£327,678	£356,152	£364,924	£374,010	£383,370
Potential mortgage cost 5.5%	-£148,500	-£141,075	-£133,650	-£126,225	-£118,800
Amortisation £2,700,000 (over 20 years)	-£135,000	-£135,000	-£135,000	-£135,000	-£135,000
Net cash after amortisation. Potential uplift in value forecast using Savills report (opposite page)	£44,178	£80,077	£96,274	£112,785	£129,570
					£1,100,000

OR

We will sell if the right offer comes along.

By keeping the freehold we can after 5 years receive (approximately) $5 \times £135,000 = £675,000$ plus positive cash flow of £462,881 and estimated uplift in value of approximately £750,000 to £1,000,000.

The net return on current value £5.5M during the next five years is estimated at between £1,887,881 to £2,237,881 = 34 to 40%.

PRESENTATION OF CURRENT INVESTMENTS

Five-year forecast values



















Forecasts	End 2011 v Peak	2012	2013	2014	2015	2016	Five years
PCL	+16.9%	3.0% 	0% 	5.0% 	6.5% 	6.5% 	22.7% 
Prime East of City	+2.3%	2.5% 	1.0% 	5.0% 	6.0% 	6.5% 	22.7% 
All Greater London	-2.4%	-0.5% 	1.0% 	5.0% 	6.0% 	6.5% 	19.1% 

Table source: Savills Research

Savills June 2012

Redab Residential Ltd

In the last Annual Report we had a target to sell off the portfolio. We can now report the following.

Address	Under offer	Exchange date	Completion Date
112 Rounton Road	Sold	22nd July 2013	22nd July 2013
53 Ricardo Street	✓	29th July 2013	August 2013
21 Portree Street	✓	29th July 2013	August 2013
30 Paris House	✓	29th July 2013	August 2013
77 Fairfoot Road	✓	29th July 2013	August 2013
40 Perley House	✓	August 2013	September 2013

13 Theseus House will be vacated Autumn 2013, and thereafter sold.

We will then have totally dismantled the portfolio to approx. £63,000 below last May's valuation, but we have still made a profit compared to purchase prices.

REMINDER FOR SHAREHOLDERS

1) **Debenture Holders.**

We need your original Debenture Certificate back, plus your bank details, i.e. bank, sort code and account number, so that we can repay you.

£153,576 is still not paid because we haven't had your certificates back.

2) **Subordinated loans.**

If you haven't yet received your interest payment, please ensure that we have your bank details, i.e. bank, sort code and account number, so that we can pay you.

3) **Annual General Meeting 30th August 2013**

To be held at The Royal Thames Yacht Club, 60 Knightsbridge, London, SW1X 7LF.

Have you let us know that you are coming?

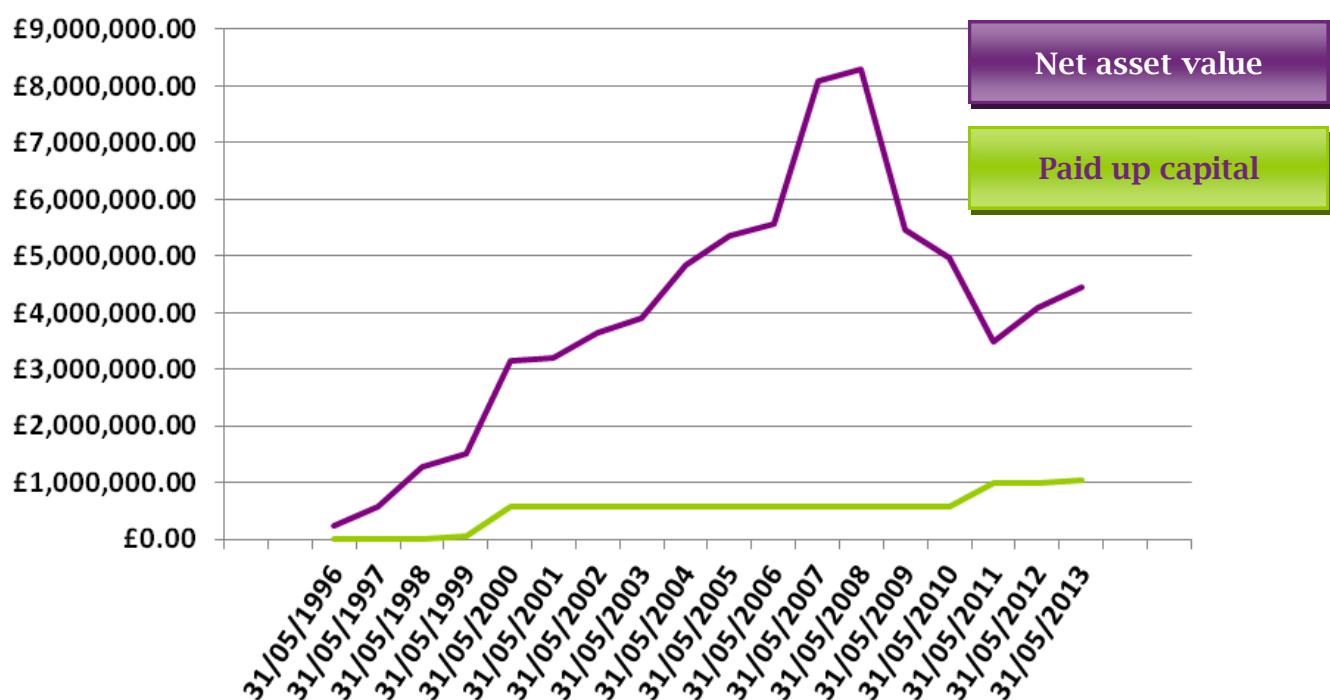
and finally

PLEASE HELP US BY CONTACTING YOUR LOCAL AKTIESPARARNA, SO THAT WE CAN PRESENT OUR COMPANY.

IF YOU HAVE ANY IDEAS OF HOW OR WHERE WE CAN FIND FURTHER FUNDING, PLEASE CALL CG PETTERSSON TO DISCUSS IT .

DEVELOPMENT OF NET ASSET VALUE PER SHARE

31ST MAY 2013



DEVELOPMENT OF NET ASSET VALUE PER SHARE

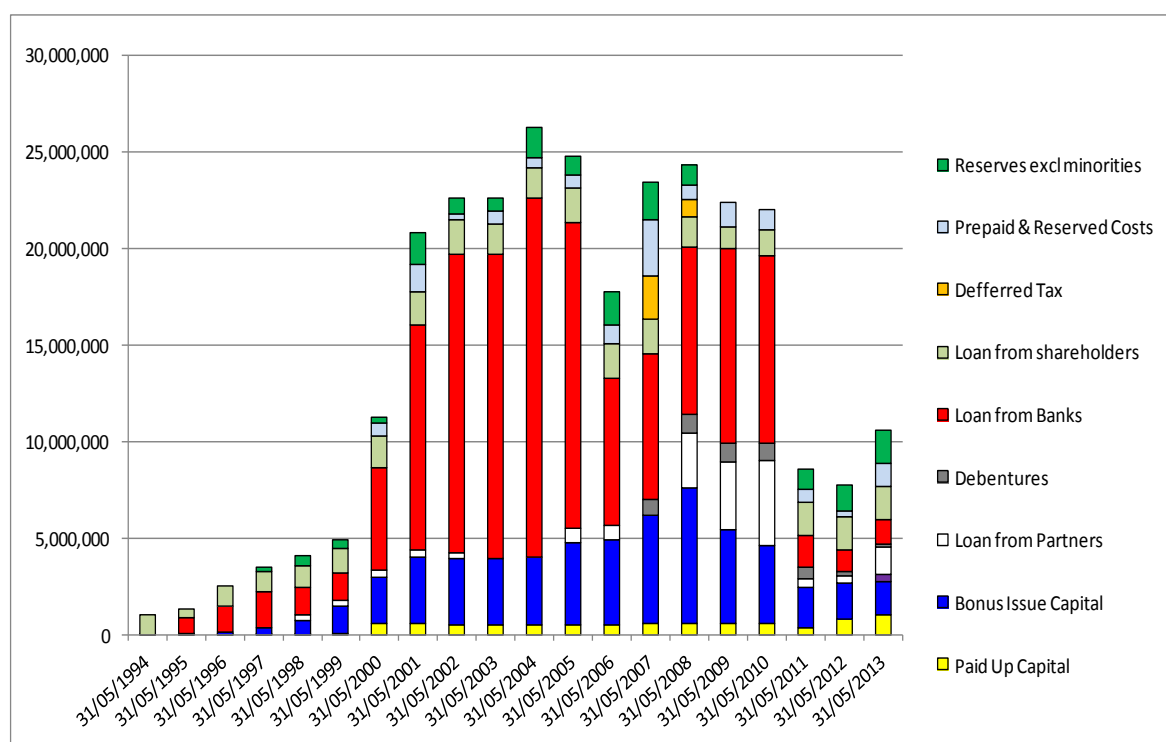
31ST MAY 2013

Net Asset Value (NAV)

	31st May 2011	31st May 2012	31st May 2013	Uplift compared to 31st May 2011
Value per share				
Net Asset Value	£3,480,485	£4,087,926	£4,442,123	
Per share: 8,178,138	42.56 pence			
Per share: 9,018,201		45.30 pence		+6.4%
Per share: 9,217,215				
Subject to all 135,214 options are converted to shares the NAV will be £4,459,025 for 9,352,429 shares			47.68 pence	+12%

CAPITAL STRUCTURE

31ST MAY 2013



FUNDING

Cash in the bank 31st May 2013	£207,875
Debtors	£302,839
Total	£510,714

External loans 31st May 2013	
Private funding	£330,000
United Trust Bank	£1,248,275
Parkerhouse Investments Sweden AB	£1,300,000
Balance	£2,878,275

Domestic loans 31st May 2013	
Debenture holders — Redab Residential Ltd still to be repaid	£153,576
External Shareholders — Subordinated loan	£1,366,982
T. Ljungberg B.V. — Subordinated loan	£309,223
T. Ljungberg B.V. — Profit sharing loan Redab Residential Ltd	£373,119
T. Ljungberg B.V. — Short loan	£70,000
Balance — Domestic loans	£2,272,900
Total balance of all loans	£5,151,175

THE FUTURE FOR REDAB PROPERTIES PLC

The existing subordinated loan expires between December 2014 and December 2016, which means 20 years from the first shareholders joining and the subordinated loans being created. It is a good time to analyse the situation of the company.

We are too small to float the company in Sweden on an acceptable list. Raising capital over the past few years in current market has not worked well. The cost for raising capital is a minimum of £100,000 upfront costs without any guarantees of success. We have, over the last three years spent time on investigating this as well as meeting different companies who specialize in the field. The current number of shareholders is enough for a listing in Sweden and with a Net Asset Value of almost £4.5M we could manage Aktietorget or similar. That would give trading possibilities for the shareholders but cost money for the company every quarter reducing the Net Asset Value of the business. Therefore, we will focus on creating the best possible Net Asset Value per share for the shareholders and sell off assets when we have a possibility to make good sales prices. We are preparing for repurchase of shares later during the Autumn to a predetermined volume depending on the cash situation.

All this can be read as if we are throwing in the towel, but that is not the case. In early July 2013 we appointed the team we used to win the appeal for the five new apartments at Jubilee Heights which are now under construction, to prepare a planning application for a further five apartments under the name of "North Block". The target application date is 17th August 2013. We have already had a meeting with the neighbours which is an estate owned by the local council. So far, we have not got a negative response from the Planning Department and Property Department. We already own the land, which has a value of approximately £100/sqft or in total approx. £500,000 subject to consent. As soon as we have overall positive cash flow we will actively go in to find a smaller short term project on the market.

All activity is with a target to increase the Net Asset Value per share up to 2016 but not make a commitment beyond December 2016 (at least not yet).

The share trading website www.inoff.nu has closed down after major losses. We are in discussions with Aktiespararna's legal department to see what they recommend to use now. As soon as they come back to us, we will try to organise a trading place as long as the cost is low.

In any future repurchase of shares, the company will offer a payment to the shareholders of 87.5% of Net Asset Value. The 12.5% taken off will be to cover future taxation rules and costs to exit the business. We will issue a Newsletter when that time comes.

THE DEVELOPMENT OF SHARE CAPITAL

31ST MAY 2013 IN £ (POUND STERLING)



Graham K Jacob
Senior Partner of
Brindley Jacob
Company Auditor

Year	Changes	Shares issued	Increase in Share Capital	Total No's of Shares	Total issued Share Capital
1994	The Company is formed			100	100
1995	Bonus Issue	49,900	49,900	50,000	50,000
1996	Bonus Issue 1:1	50,000	50,000	100,000	100,000
1997	Bonus Issue 1:2	50,000	50,000	150,000	150,000
1998	Bonus Issue 3:2	225,000	225,000	375,000	375,000
1998	Bonus Issue 1:3	125,000	125,000	500,000	500,000
1998	Bonus Issue 1:2	250,000	250,000	750,000	750,000
1999	Bonus Issue – lieu of interest	6,674	6,674	756,674	756,674
1999	Bonus Issue 2:5	302,669	302,669	1,059,343	1,059,343
1999	Bonus Issue 1:3	353,114	353,114	1,412,457	1,412,457
1999	Bonus Issue – lieu of interest	15,251	15,251	1,427,708	2,011,435
1999	New Issue – loan conversion	72,205	72,205	1,499,913	1,499,913
2000	New Issue	511,522	511,522	2,011,435	1,622,564
2000	Bonus Issue 4:9	893,971	893,971	2,905,406	2,905,406
2000	Bonus Issue – lieu of interest	41,776	41,776	2,947,182	2,947,182
2001	Bonus Issue 1:3	982,394	982,394	3,929,576	3,929,576
2001	Bonus Issue – lieu of interest	63,296	63,296	3,992,872	3,992,872
2002	Repurchase shares	- 75,850	- 75,850	3,917,022	3,917,022
2002	Bonus Issue – lieu of interest	34,874	34,874	3,951,896	3,951,896
2002	New Issue	6,639	6,639	3,958,535	3,958,535
2004	Bonus Issue – lieu of interest	51,540	51,540	4,010,075	4,010,075
2004	Repurchase shares	- 322	- 322	4,009,753	4,009,753
2004	Bonus Issue 1:6	668,345	668,345	4,678,098	4,678,098
2005	Bonus Issue – lieu of interest	54,567	54,567	4,732,665	4,732,665
2005	New Issue – loan conversion	96,894	96,894	4,829,559	4,829,559
2006	Bonus Issue – lieu of interest	59,063	59,063	4,888,622	4,888,622
2007	Bonus Issue – lieu of interest	49,497	49,479	4,938,119	4,938,119
2007	Bonus Issue 1:4	2,777,591	2,777,591	7,715,710	7,715,710
2007	Repurchase shares	- 10,140	- 10,140	7,705,570	7,705,570
2008	Bonus Issue – lieu of interest	60,523	60,523	7,766,093	7,766,093
2008	Net repurchase shares	- 138,068	- 138,068	7,628,025	7,628,025
2011	Mark down in nominal value from £1 to 30 pence per share				2,288,407
2011	New Issue	1,381,268	414,381	9,009,293	2,702,788
2012	New Issue	177,874	53,361	9,187,167	2,756,150
2013	New Issue	30,048	9,015	9,217,215	2,765,165

PROFIT & LOSS ACCOUNT AND BALANCE SHEET

31ST MAY 2013 IN £ (POUND STERLING)

Consolidated	31/05	31/05	31/05	31/05
Profit And Loss	2010	2011	2012	2013
Costs	- 710,907	- 3,416,668	- 1,842,698	-920,539
Income	923,701	2,702,842	2,239,707	793,828
P/(L) before finance	212,794	- 713,826	397,009	-126,711
Finance	- 549,433	- 424,780	- 261,844	-169,834
P/(L) before taxation	- 336,639	- 1,138,606	135,165	-296,545
Tax	246,183	-28,176	0	0
<i>P/(L) after taxation</i>	<i>- 90,456</i>	<i>- 1,166,782</i>	<i>135,165</i>	<i>-296,545</i>
Consolidated	31/05	31/05	31/05	31/05
Balance Sheet	2010	2011	2012	2013
Properties with Plant and Machinery	20,307,872	8,081,317	6,401,110	10,291,740
Debtors	829,310	147,146	263,993	302,839
Bank	911,065	323,481	1,113,843	207,875
<i>Total Assets</i>	<i>22,048,247</i>	<i>8,551,944</i>	<i>7,778,946</i>	<i>10,802,454</i>
Creditors	1,108,094	621,550	316,329	1,209,156
Taxation	0	0	0	0
Loan from Shareholders	1,330,445	1,684,648	1,728,753	1,746,205
Loan from partners	4,347,383	438,903	373,119	373,119
Debentures– profit share loan	923,381	625,646	167,819	1,453,576
Private loan				330,000
Loan from banks	9,690,000	1,630,000	1,105,000	1,248,275
Share capital	7,628,025	2,453,441	2,705,460	2,765,165
Reserves	- 2,653,835	1,027,044	1,382,466	1,676,958
Potential tax on hidden Capital Gain	0	0	0	0
Minority Shareholders' interests in subsidiaries	- 325,246	70,712	0	0
<i>Total Liabilities, Capital and Reserves</i>	<i>22,048,247</i>	<i>8,551,944</i>	<i>7,778,946</i>	<i>10,802,454</i>

THIS IS REDAB PROPERTIES PLC

Track record

Redab Properties Plc was incorporated on the 27th October 1993, and began trading on the 14th February 1994.

Redab Properties Plc team have great experience in development and property management in London. The latest completed project is 657 Commercial Road.

Redab Properties Plc has purchased and developed with good profits, a number of properties in London.

Redab Properties Plc is an asset rich company with only 11.6% bank funding.

Redab Properties Plc on-going projects will soon be ready with interesting figures.

Redab Properties Plc needs funds to continue to selectively purchase properties for active management and development.

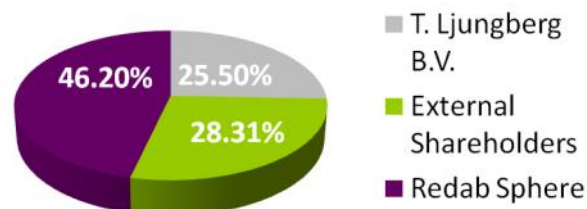
Redab Properties Plc are well placed to handle future profits as losses in 2011 are available to offset against capital gain tax. Approximately £4M in profit can be made without any tax payment.

Redab Properties Plc are offering a new investment possibility of a unit (shares and subordinated loan) where the loan is paid to 8%. Please take a look at our website www.redabproperties.com.

Redab Properties Plc company documentation, Memorandum and Articles of Association, signed accounts of the Directors, Company Secretary and Auditors, are available for shareholders to view by appointment at the company's Registered Office. All documents are in English and subject to legislation in England and Wales.

- **To become a shareholder in Redab Properties Plc please contact the Managing Director for further information.**

Ownership 31st May 2013



Number of shareholders 319 (31/05 2013)

Redab Properties Plc, 83 Lower Sloane Street, London SW1W 8DA, England

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