

# INTERIM REPORT

1ST JUNE 2013—30TH SEPTEMBER 2013



London 29th October 2013

# MANAGING DIRECTOR'S STATEMENT

The pressure to sell all apartments is still on!

By 10th October 2013 all the East London Portfolio were almost sold. Lenders have been fully repaid in proportion to us receiving payment from sales.

Redab Properties Plc return on investment in East London Portfolio was approximately 3% per annum. This is not what we were presented when we took the majority in Redab Residential Ltd. We will now close down Redab Residential Ltd well in advance of the end of the business year.



*CG Pettersson*

657-663 Commercial Road has been trying for a mortgage since March 2013, our first proper mortgage since 2007. The income has increased to £383,150 by also letting roof space to UK Broadband for 10 years.

The five new apartments at Kilburn are a little behind schedule for Practical Completion. The first apartment will be ready early December 2013, and the last apartment around the end of January 2014.

Out of the five existing apartments that we hold flats 6 and 7 have been sold, flats 4 and 8 are under offer, and flat 3 is being marketed. The United Trust Bank facility is due to be repaid 1st February 2014 (£2,080,000) after we amortized £520,000 from the sales of flats 771, 6 and 7.

[olistat.se](http://olistat.se) will keep their readers informed about Redab Properties Plc. We were mentioned on their homepage 15th October 2013.

All of the above means we are on target as forecast at the AGM for Profit / Loss and Net Asset Value by 31st May 2014.

# THE LONDON PROPERTY MARKET

## *UK Economy*

Positive signs that the UK Economy is starting to recover.

- ◆ “The double dip” recession of early 2012 has been revised away.
- ◆ Higher than expected growth in Q1 and Q2.
- ◆ The International Monetary Fund (IMF) upgraded its 2013 growth forecast for the UK (0.9% growth).
- ◆ The British Chamber of Commerce showed general improvements in sales, exports and employment.

## *Measures of property demands*

- ◆ Office leasing market has broken the trend and recovered.
- ◆ Prime residential market continues to see rising volumes, initially driven by overseas but now also increased domestic demand.
- ◆ Prime central London market has continued to outperform the wider market. However, we expect government initiatives such as “help to buy” will stimulate the low to mid end of the market.
- ◆ Continued high demand for residential development opportunities.

## *Investment Market*

- ◆ London continues to attract significant international investment, dominating both the office and the retail markets, but stock is limited

## *Expectations for the future*

- ◆ Improving business confidence filtering through to the occupier markets.
- ◆ This should support office take up levels and lead to renewed rental growth.
- ◆ High demand for central London retail units from international retailers will help support prime rents.
- ◆ The on-going issues in the Eurozone will mean that London will continue to be the destination of choice for overseas capital.

# THE LONDON PROPERTY MARKET

## Business confidence rising in London

The UK Business Confidence Monitor Q3 2013 by ICAEW/Grant Thornton reported an improving economic situation in London finding that “confidence in the capital has been rising steadily since Q3 2012 and has now reached its highest level since Q2 2010”. The report also found that “turnover is expected to rise by 5.1 per cent over the next 12 months, bolstered by accelerating domestic sales and export growth. Improved revenues are expected to lead to 4.4 per cent profit growth over the coming 12 months”. Business confidence in London is above the national average. For the UK as a whole the report noted that “business confidence continued to improve in the third quarter of 2013”, commenting that, “this quarter’s reading suggests that the economy will expand by 1.0 per cent in Q3 2013”. Export growth is expected to pick up over the next 12 months, despite a challenging global economic backdrop.

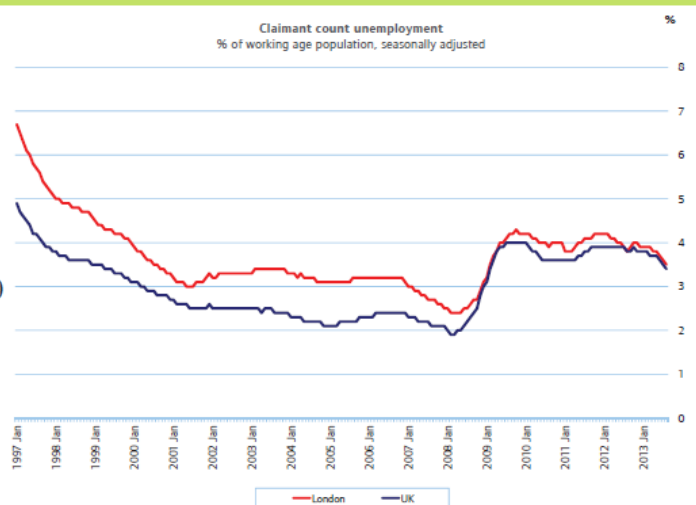
Two London universities have been ranked in the top ten in the world according to the latest QS World University Rankings. UCL and Imperial were placed 4th and 5th respectively behind MIT, Harvard and Cambridge. King’s College London was 19th in the list, making it one of six UK universities to be ranked in the top 20.

## Claimant count unemployment

- The percentage of the resident working age population who are unemployed and claiming Jobseekers’ Allowance (seasonally adjusted) in London was 3.5% in August 2013.
- There were 200,700 seasonally adjusted unemployment claimants in London in August 2013 compared to a downwardly-revised 204,700 in July 2013.
- There were 1,401,800 seasonally adjusted unemployment claimants in the UK in August 2013 compared to a downwardly-revised 1,434,400 in July 2013.

Latest release: September 2013

Next release: October 2013



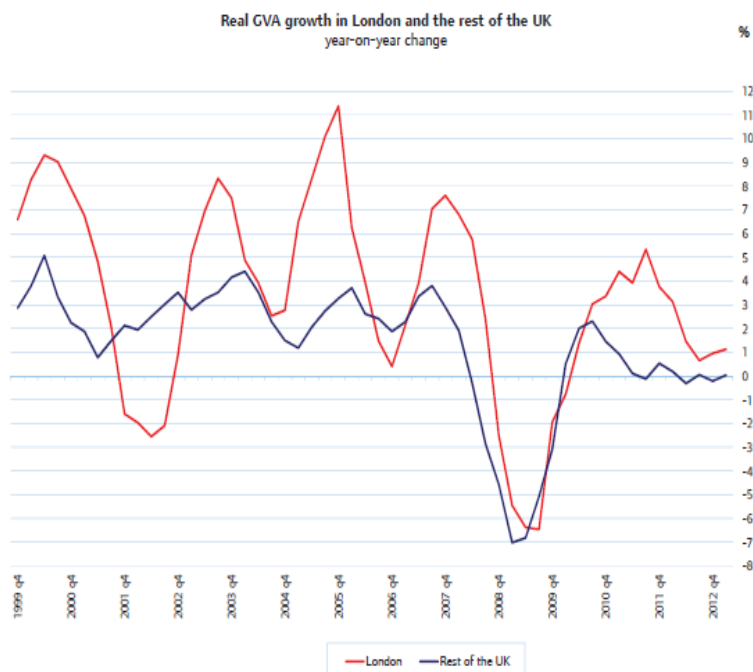
# THE LONDON PROPERTY MARKET

## Faster annual output growth in Q1 2013

- London's annual growth in output increased to 1.1% in Q1 2013 from an upwardly-revised 1.0% in Q4 2012.
- Annual output growth in the rest of the UK increased to 0.0% in Q1 2013 from a downwardly-revised -0.2% in Q4 2012.
- In Q1 2013 London's annual growth rate was higher than in the rest of the UK.

Latest release: August 2013

Next release: November 2013



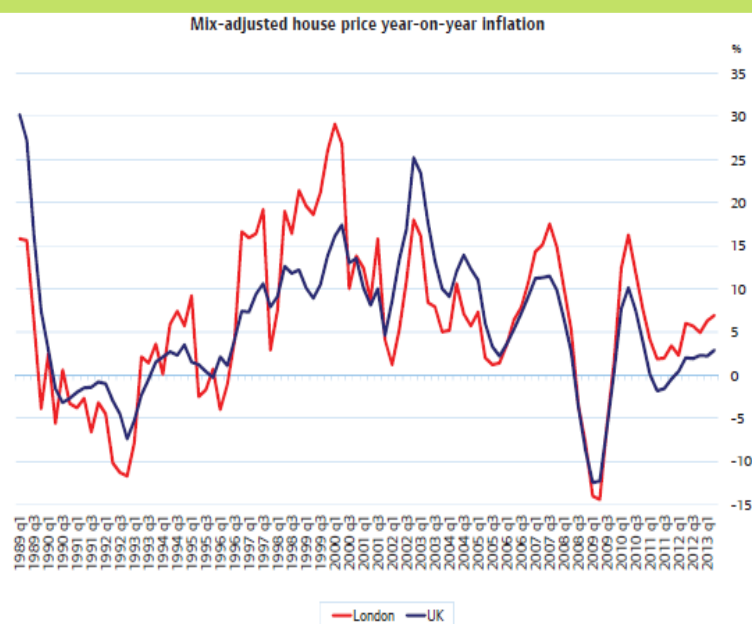
Source: Experian Economics

## Annual house price inflation higher in London than in the UK

- The Office for National Statistics (ONS) house price index is an official measure of house prices. It is available up to Q2 2013.
- Annual house price inflation in London was 6.9% in Q2 2013, up from 6.3% in Q1 2013.
- Annual house price inflation in the UK was 2.9% in Q2 2013, up from 2.2% in Q1 2013.

Latest release: August 2013

Next release: November 2013

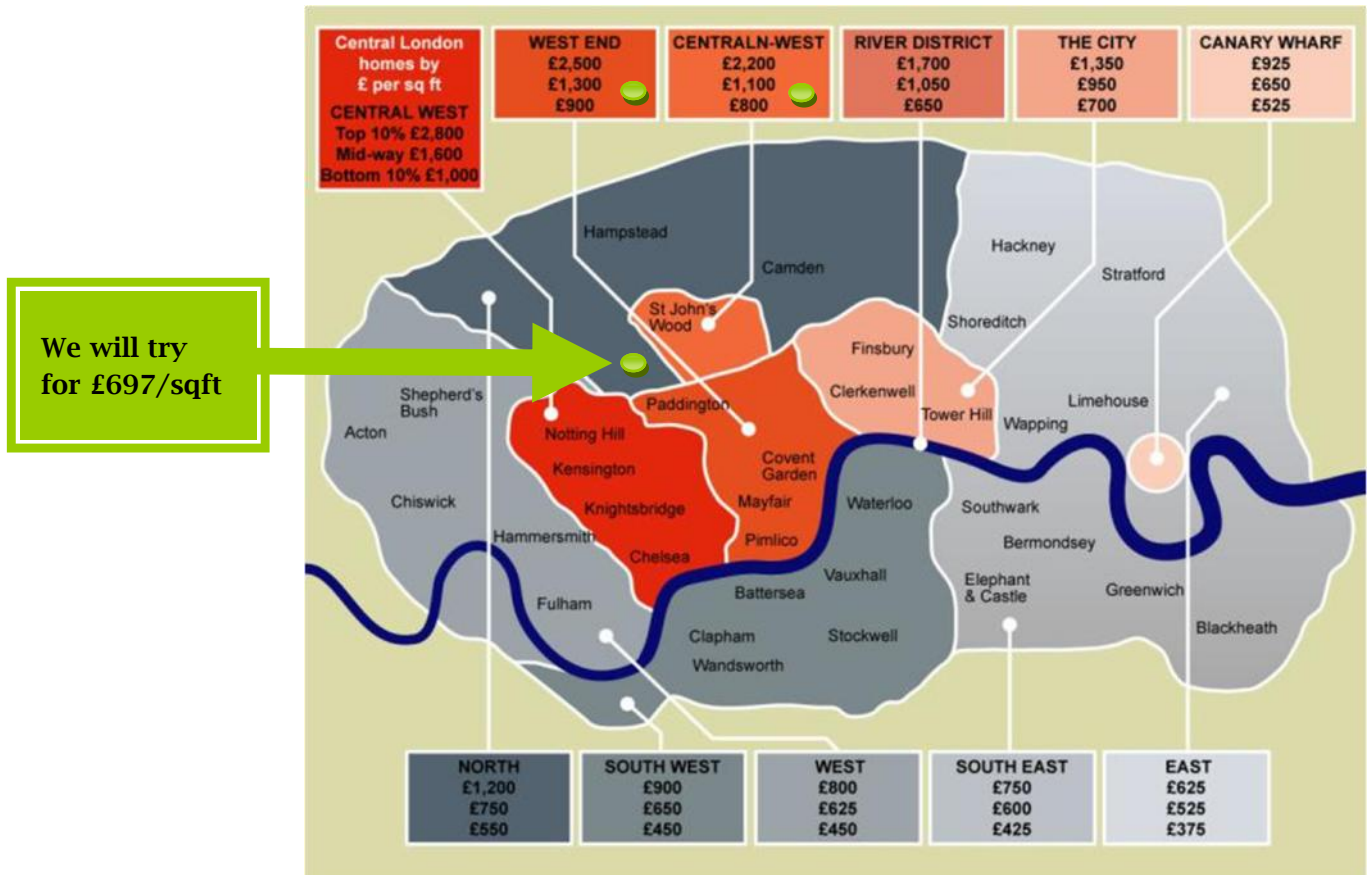


Source: Office for National Statistics



# PRESENTATION OF CURRENT INVESTMENTS

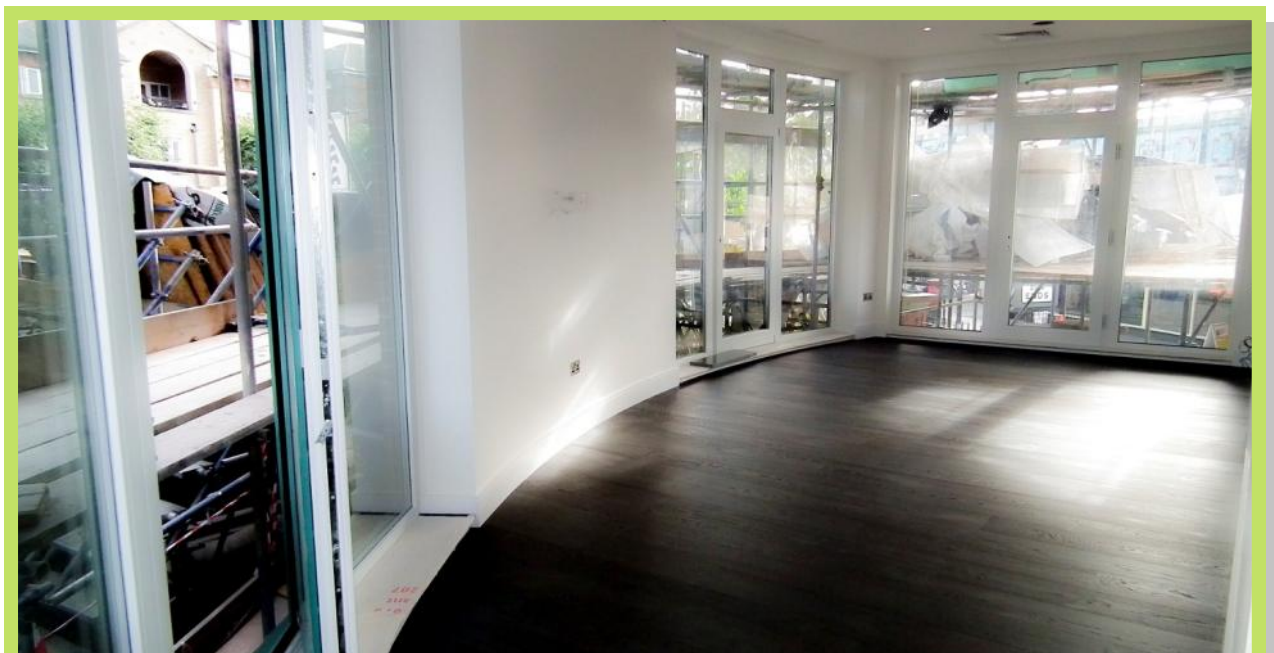
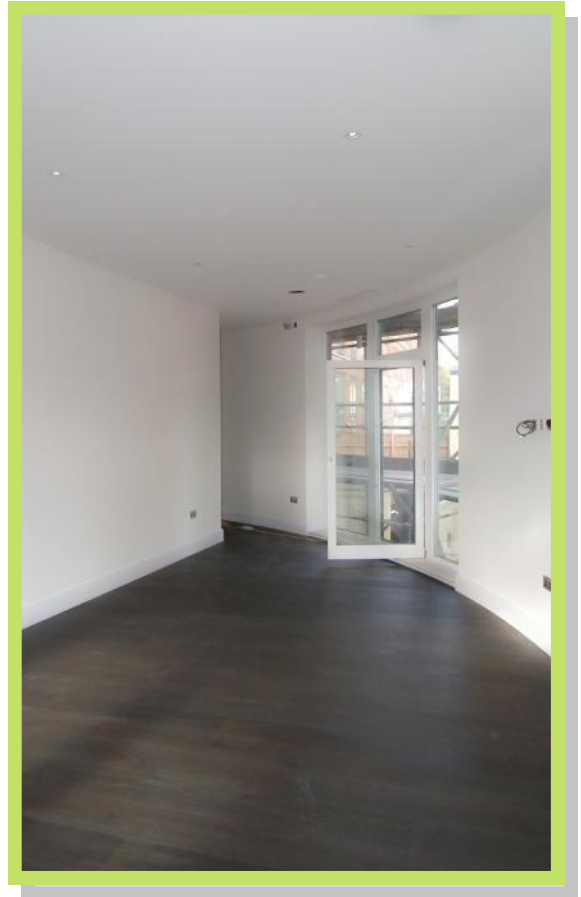
## *Jubilee Heights & Cedar Lodge, Redab Kilburn Ltd.*



*We are very close to completing the first of the apartments, here are some photographs of the current situation.*

# PRESENTATION OF CURRENT INVESTMENTS

*Jubilee Heights & Cedar Lodge, Redab Kilburn Ltd.*



## PRESENTATION OF CURRENT INVESTMENTS

### *Jubilee Heights & Cedar Lodge, Redab Kilburn Ltd.*

| Address                     | Valuation<br>Spring 2012 | Under offer | Agreed Price |
|-----------------------------|--------------------------|-------------|--------------|
| <b>Existing apartments</b>  |                          |             |              |
| Flat 3                      | £425,000                 |             |              |
| Flat 4                      | £425,000                 | ✓           | £440,000     |
| Flat 6                      | £290,000                 | <b>SOLD</b> | £297,500     |
| Flat 7                      | £290,000                 | <b>SOLD</b> | £298,000     |
| Flat 8                      | £290,000                 | ✓           | £310,000     |
| <b>New 5 apartments</b>     |                          |             |              |
| Flat G09                    |                          | ✓           | £650,000     |
| Flat 113                    |                          |             |              |
| Flat 213                    |                          | ✓           | £750,000     |
| Flat 313                    |                          |             |              |
| Flat 413 (The<br>Penthouse) |                          |             |              |



# PRESENTATION OF CURRENT INVESTMENTS

## *Redab Residential Ltd*

| Address                      | Valuation<br>2012/13 | Sold           | Agreed Price |
|------------------------------|----------------------|----------------|--------------|
| <b>East London Portfolio</b> |                      |                |              |
| <b>112 Rounton Road</b>      | £190,000             | ✓              | £205,000     |
| <b>53 Ricardo Street</b>     | £185,000             | ✓              | £202,000     |
| <b>21 Portree Street</b>     | £210,000             | ✓              | £215,000     |
| <b>30 Paris House</b>        | £240,000             | ✓              | £214,500     |
| <b>77 Fairfoot Road</b>      | £180,000             | ✓              | £202,000     |
| <b>40 Perley House</b>       | £150,550             | Under<br>offer | £150,000     |
| <b>13 Theseus House</b>      | £211,500             | Under<br>offer | £207,500     |

# PRESENTATION OF CURRENT INVESTMENTS

## *657 & 663 Commercial Road, London E14*

### ♦ *18 apartments*

Annual rent £344,440 + uplift of 3% per annum. 5-year lease.

Private funding of approximately £1.5M to be repaid 30th November 2013.

### ♦ *Restaurant*

Rent free for 6 months after refurbishment, thereafter £25,000 per annum. Rent review every 5th year. 20-year lease.

### ♦ *Broadband mast*

Potential further income of £13,750 from a communications company on a 10 year lease. Uplift year 5 with KPI, capped to 2%.

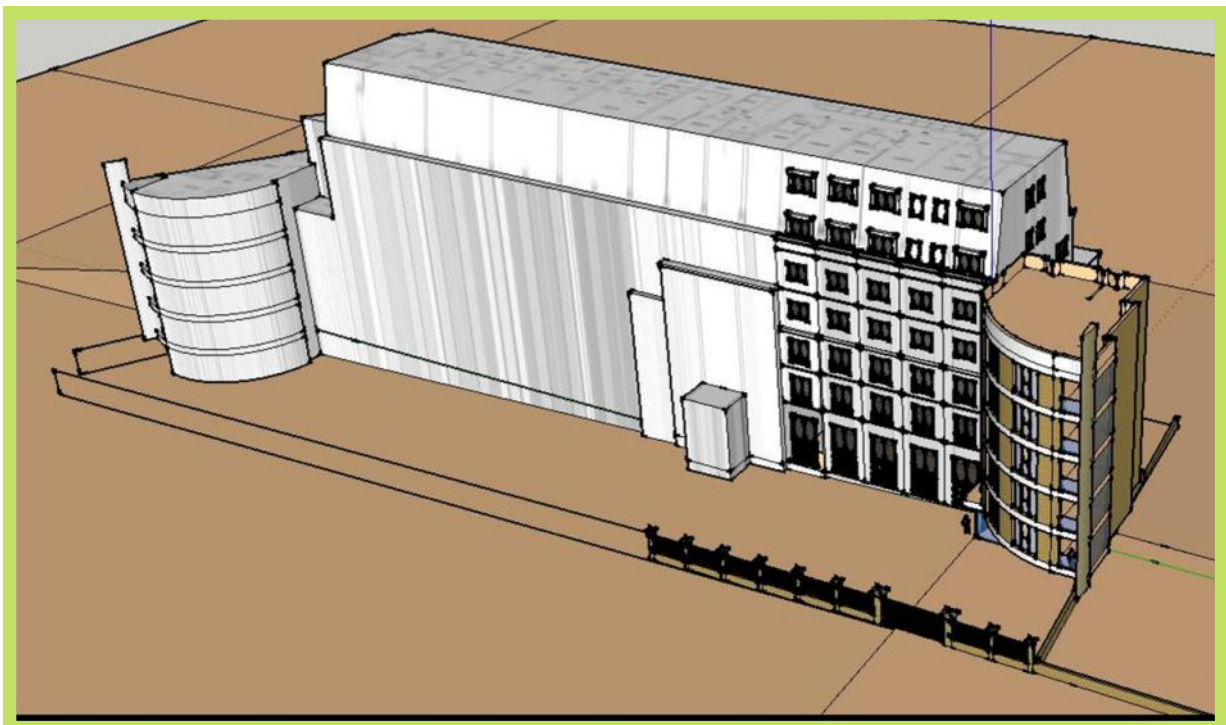
### ♦ *Target*

1) Sale +£5,500,000

2) Bank mortgage £2.5-2.7M The 24th October 2013 we got verbal information that Barcalys Bank Plc had approved to give us a loan of £2.3M with a spread of 3.5% and amortization over 20 years. The bank's representative has confirmed by e-mail that they are working for a draw down by 30th November 2013.

# PRESENTATION OF CURRENT INVESTMENTS

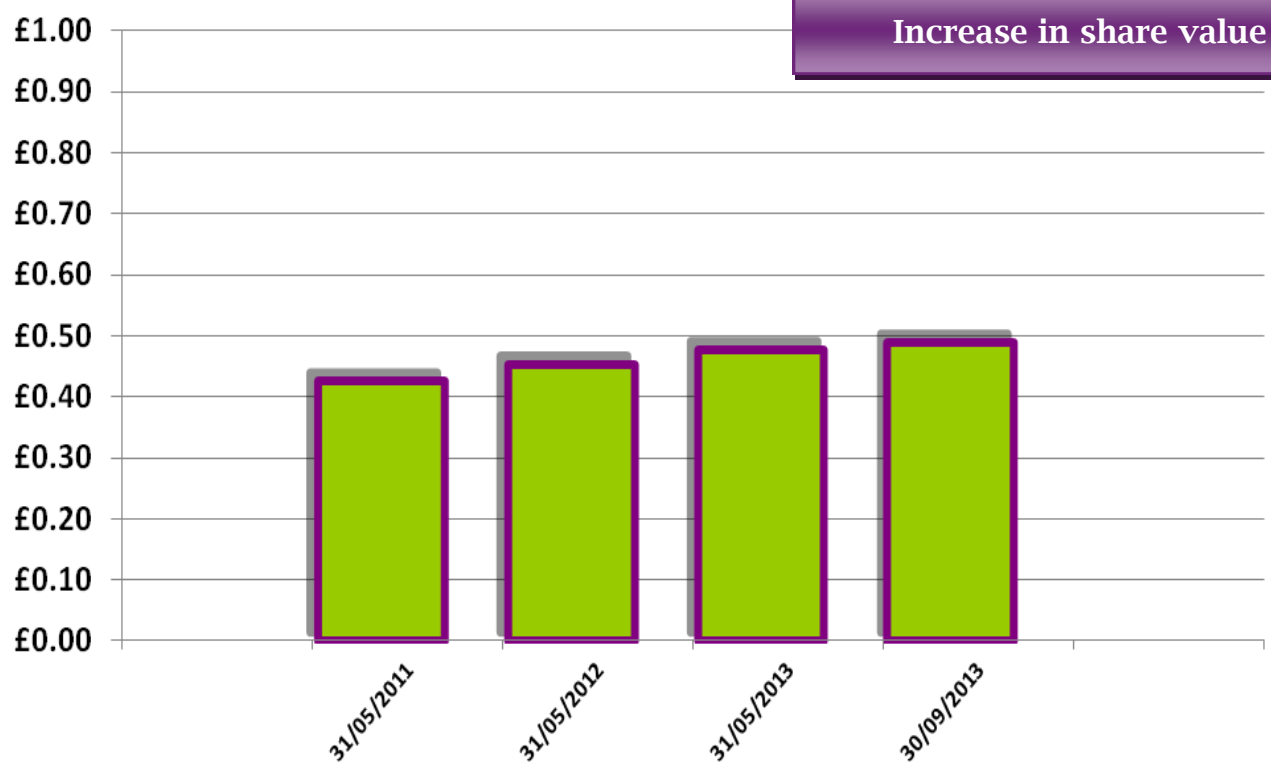
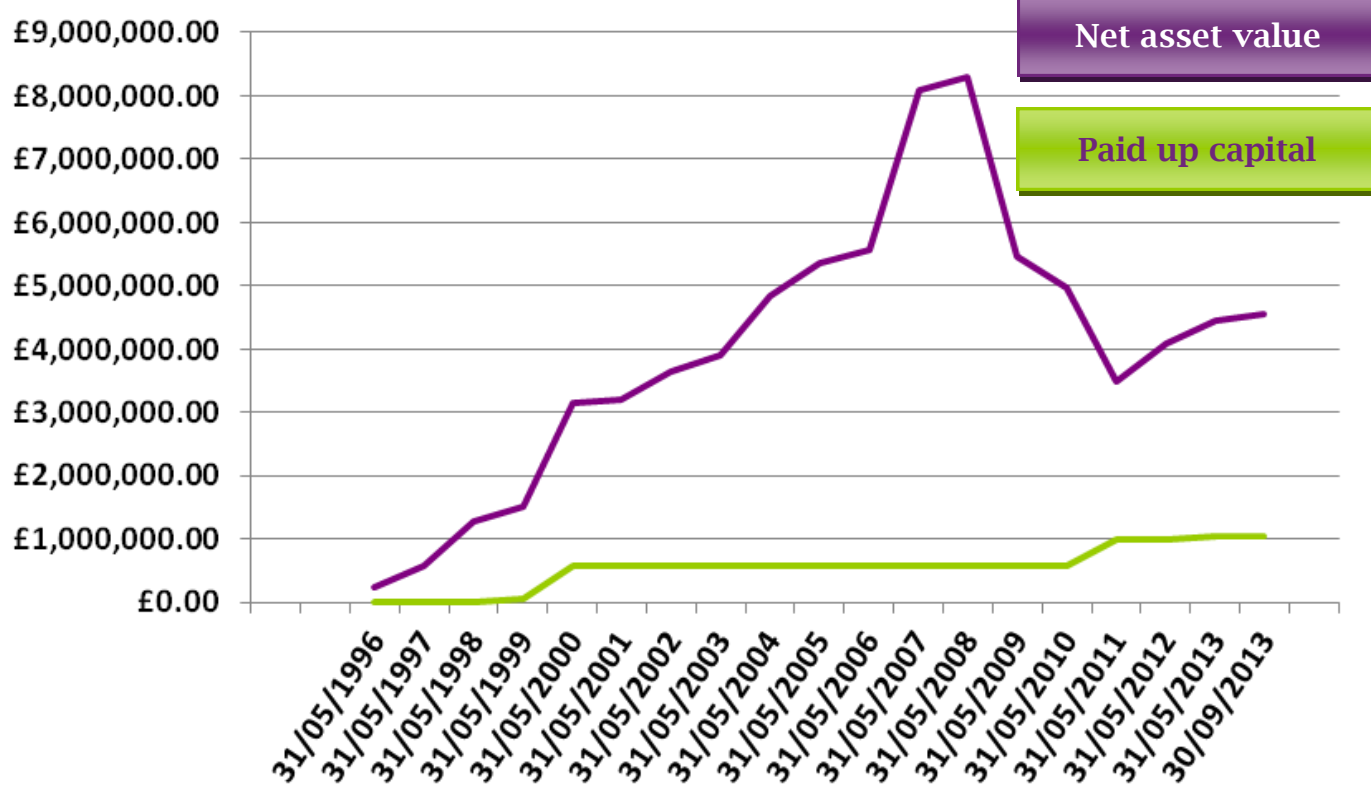
## *Planning application for the North Block Jubilee Heights*



At a project meeting 11th October 2013 we decided to issue the application before the end of October 2013.

# DEVELOPMENT OF NET ASSET VALUE PER SHARE

30TH SEPTEMBER 2013



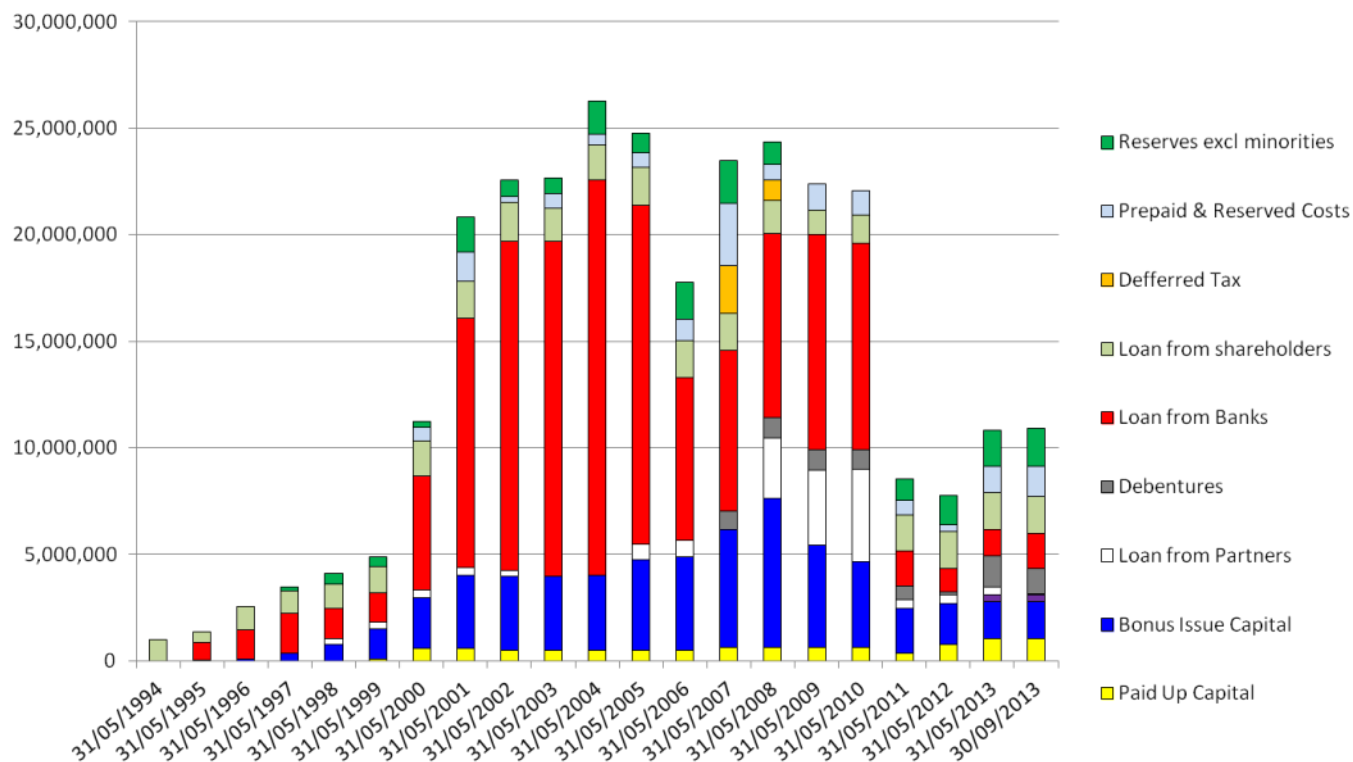
## Net Asset Value (NAV)

|  | 31st May<br>2011 | 31st May<br>2012 | 31st May<br>2013 | 30th September<br>2013 |
|--|------------------|------------------|------------------|------------------------|
| <b>Value per share</b>   |                  |                  |                  |                        |
| <b>Net Asset Value</b>   | £3,480,485       | £4,087,926       | £4,442,123       | £4,556,250             |
| <b>Per share: 8,178,138</b>  | 42.56 pence      |                  |                  |                        |
| <b>Per share: 9,018,201</b>  |                  | 45.30 pence      |                  |                        |
| <b>Per share: 9,217,215</b>  |                  |                  | 48.2 pence       | 49.4 pence*            |
| 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      | 48.9 pence             |

\* +2.48% over the first 4 months.

## CAPITAL STRUCTURE

30TH SEPTEMBER 2013





# THE DEVELOPMENT OF SHARE CAPITAL

30TH SEPTEMBER 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

30TH SEPTEMBER 2013 IN £ (POUND STERLING)

| <b>Consolidated</b>                              | <b>31/05</b> | <b>31/05</b> | <b>31/05</b> | <b>30/09</b> |
|--|--------------|--------------|--------------|--------------|
| <b>Profit And Loss</b>                           | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2013</b>  |
| Costs  | - 3,416,668  | - 1,842,698  | -920,539     | - 1,212,587  |
| Income   | 2,702,842    | 2,239,707    | 793,828      | 1,204,149    |
| P/(L) before finance                             | - 713,826    | 397,009      | -126,711     | - 8,438      |
| Finance  | - 424,780    | - 261,844    | -169,834     | - 77,310     |
| P/(L) before taxation                            | - 1,138,606  | 135,165      | -296,545     | - 85,748     |
| Tax  | -28,176      | 0            | 0            | 0            |
| P/(L) after taxation                             | - 1,166,782  | 135,165      | -296,545     | - 85,748     |
|  |              |              |              |              |
| <b>Consolidated</b>                              | <b>31/05</b> | <b>31/05</b> | <b>31/05</b> | <b>30/09</b> |
| <b>Balance Sheet</b>                             | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2013</b>  |
| Properties with Plant and Machinery              | 8,081,317    | 6,401,110    | 10,291,740   | 10,352,027   |
| Debtors  | 147,146      | 263,993      | 302,839      | 362,862      |
| Bank   | 323,481      | 1,113,843    | 207,875      | 215,571      |
| Total Assets                                     | 8,551,944    | 7,778,946    | 10,802,454   | 10,930,460   |
|  |              |              |              |              |
| Creditors  | 621,550      | 316,329      | 1,209,156    | 1,439,601    |
| Taxation   | 0            | 0            | 0            | 0            |
| Loan from Shareholders                           | 1,684,648    | 1,728,753    | 1,746,205    | 1,723,976    |
| Loan from partners                               | 438,903      | 373,119      | 373,119      | 49,498       |
| Debentures – profit share loan                   | 625,646      | 167,819      | 1,453,576    | 1,203,576    |
| Private loan                                     |              |              | 330,000      | 330,000      |
| Loan from banks                                  | 1,630,000    | 1,105,000    | 1,248,275    | 1,627,559    |
| Share capital                                    | 2,453,441    | 2,705,460    | 2,765,165    | 2,765,165    |
| Reserves   | 1,027,044    | 1,382,466    | 1,676,958    | 1,791,085    |
| Potential tax on hidden Capital Gain             | 0            | 0            | 0            | 0            |
| Minority Shareholders' interests in subsidiaries | 70,712       | 0            | 0            | 0            |
| Total Liabilities, Capital and Re-serves         | 8,551,944    | 7,778,946    | 10,802,454   | 10,930,460   |

# 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 since 1983. The latest project, completed in June 2013 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 approximate 10% bank funding.

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

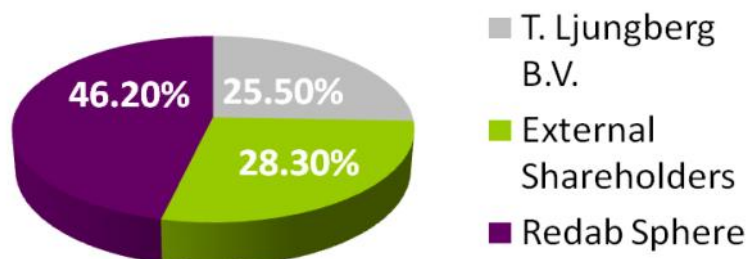
**Redab Properties Plc** needs funds to continue to selectively purchase properties for active management and development.

**Redab Properties Plc** are 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](http://www.redabproperties.com).

**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.

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

## Ownership 30<sup>th</sup> September 2013



**318 Shareholders (30/09 2013)**

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

*Telephone: +44 (0)20-7730 0213 Fax: +44 (0)20-7730 0227*

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