

# ANNUAL REPORT

1ST JUNE 2014—31ST MAY 2015



*Revised artists impression of The Esplanade, Southend-on-Sea*

London, 29th July 2015

# MANAGING DIRECTOR'S STATEMENT

During the last business year 1st June 2014 to 31st May 2015 there have been a few sales completed and the purchase of The Esplanade in Southend-on-Sea.

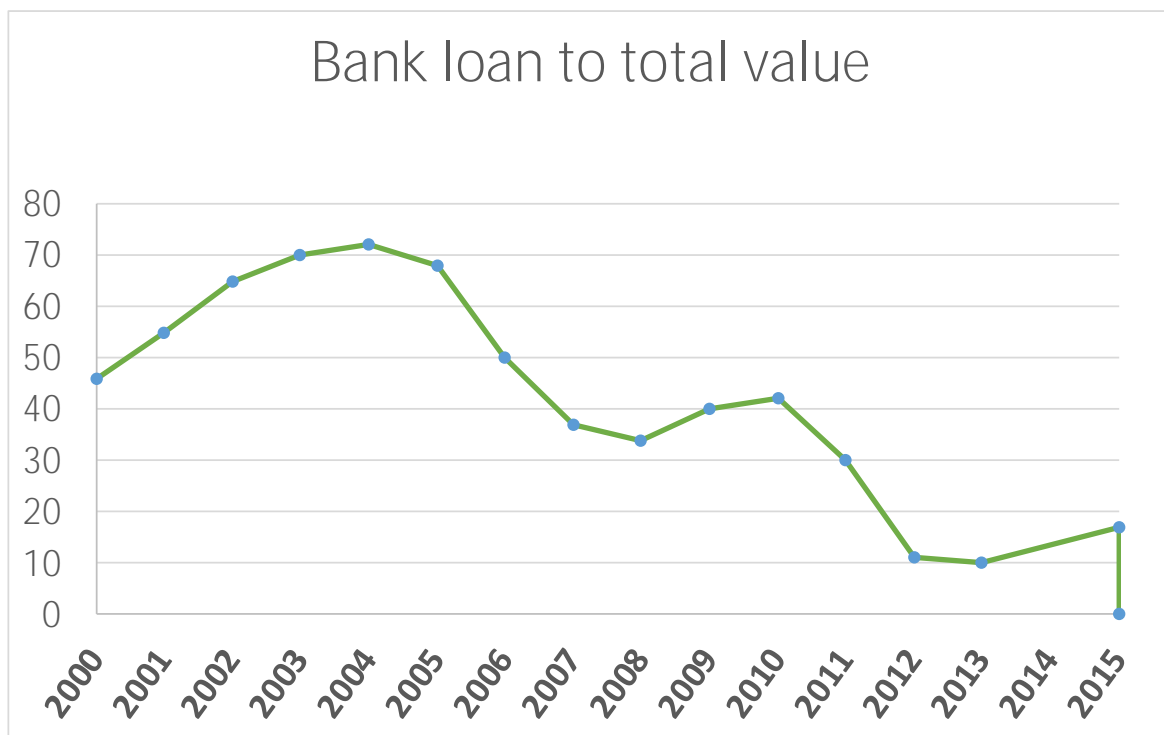


CG Pettersson with Chelsea Harbour in the background.

## *Sales completed.*

- The restaurant, 663 Commercial Road.
- Flat 113 at Jubilee Heights, Kilburn.
- The freehold Jubilee Heights & Cedar Lodge, Kilburn.

These sales have reduced our bank funding to zero.



The progress we have made in trying to achieve planning consent for The Esplanade has been reported in both the December 2014 and March 2015 Interim Reports.

The planning application has been postponed from going to committee for the third time due to delays by the council.

The application will now be presented to the planning committee meeting in September 2015.

# MANAGING DIRECTOR'S STATEMENT

I had a discussion with one of our shareholders who is a very experienced property man, and explained to him what was happening with the planning department. He **laughed and asked me “Why should you be treated differently?” In his experience Planners always slow down progress and have objections compared to developers’** thinking and proposals.

The Redab team are working with the Planners to progress the 2nd February 2015 application so consent can be granted later this year without too many changes.

The largest change is that we will not be able to start on site until 1st November 2016 and not 2015. This is because there is a lot of structure design to be developed and approved by Southend-on-Sea’s **District Surveyor before we can start on site. We then** have to appoint the special sub-contractors for demolition, piling of 7,700 meters, excavation and foundation.

There will be around 750 lorries on and off the site during this period, some of them weighing up to 38 ton. Due to the Health & Safety risk, we can really only carry out this work during the off season period November—March.



*38 ton lorry often used on building sites.*

*Our long-term goal continues, this is to create*

## **LONG TERM SHARE VALUE**

### *Figures*

Profit for the business year £284,849.

**The Net Asset Value has increased from last year's £4,715,853 31st May 2014 to £4,871,497 31st May 2015 with The Esplanade booked to cost in the balance sheet.**

That is an increase of **+3.3%**.

Value per share has increased by **+5.1%**.

In principle, all shareholders holding options will convert to shares which will be included in 30th September 2015 Interim Report.

### *Prognosis 31st May 2016*

The Penthouse at Jubilee Heights, Kilburn, is still for sale and we have bought The Esplanade which affects the cash flow prognosis in the last business year's report.

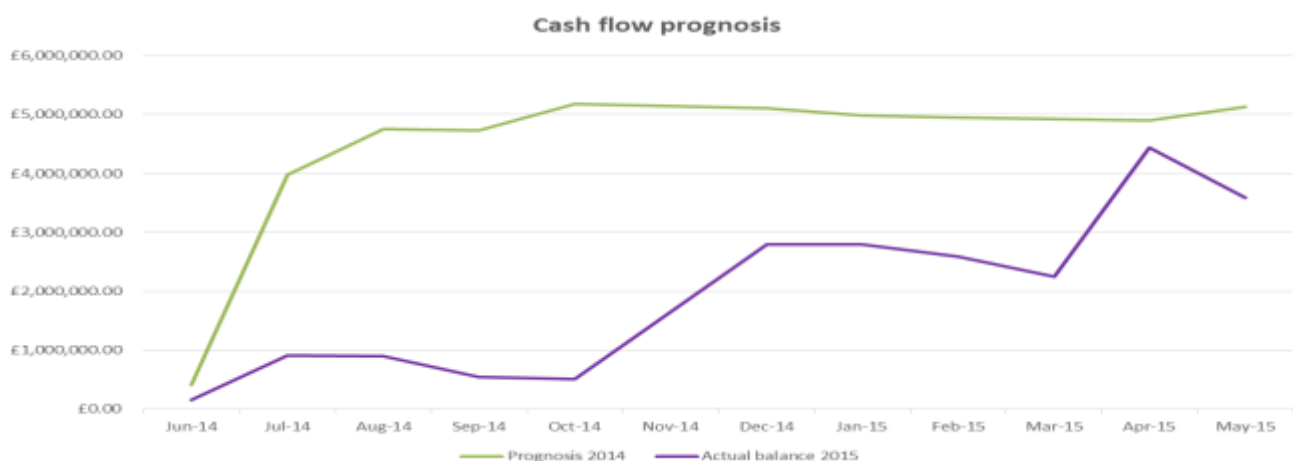
Our target is to continue to increase the **NET ASSET VALUE** and create **LONG TERM SHAREHOLDERS VALUE.**

The Net Asset Value will move up when planning consent is granted, while the running costs of Redab and paying interest on shareholders loans will mean a negative result.

The sale of the Penthouse will generate a Capital Gain in the Profit & Loss Account but the Net Asset Value already includes the market value.

We have moved the surplus funds to a special account at United Trust Bank which pays higher interest and is also more secure as there is no access through internet banking.

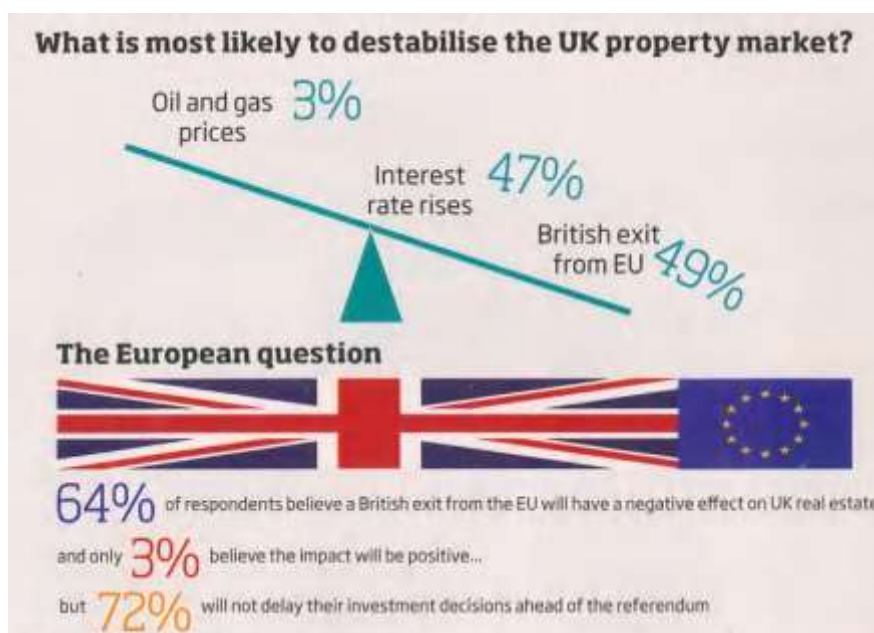
Redab will also start to look into using surplus funds earmarked for The Esplanade for shorter purchase / fix up, sale opportunities.



# THE LONDON MARKET

The current market is very sale friendly for sellers, but for purchasers it is the opposite, in our opinion everything seems to be very expensive.

We believe a slowdown is also on the cards with a risk of rising interest rates by The Bank of England. The uncertainty created by politicians to call a referendum on being in Europe or not is not helping either.



*Property Week, 26th June 2015*

## Nine times salary to buy first home in the capital

By ALEX HAWKES

FIRST-TIME buyers in London are now having to find more than nine times the average salary to buy a home.

The latest figures from building society Nationwide show that homes being bought by first-time buyers in the capital are priced at 9.4 times the average London wage, an all-time high.

The ratio will be pointed to by many to suggest the market has become a speculative bubble. However, separate figures from Nationwide suggest that low interest rates mean the proportion of first-time buyers' income going on mortgage payments is below previous peaks.

First-time buyers are spending two-thirds of the average take-home pay in London on their repayments – below levels seen in 2007 and the late 1980s.

The Bank of England's Monetary Policy Committee meets to decide the base rate this week and is all but certain to leave it unchanged at 0.5 per cent.

A rate rise is not expected until 2016, but economists say recent improvements in average earnings and economic growth mean an earlier rise is possible.

The extraordinary figures come as property developer Canary Wharf prepares to sell its first residential properties on the Docklands site. Canary Wharf is planning to build as many as 3,200 homes at its eastern edge, erecting 30 towers on the site of the former Wood Wharf.

Properties at 10 Park Drive, the first of the new buildings, go on the market on Thursday. Studio flats start at £395,000 while three-bedroom properties will cost £1.3million.

Canary Wharf hosts 100,000 workers every day, but the property developer is hoping to make the area a residential base as well.

**SKY-HIGH COST:** Canary Wharf is building 30 towers

*The Mail on Sunday, 5th July 2015*

This should help us with sales at The Esplanade as it is only a 50 minute journey to London at a cost of £4,560 per annum (peak hour).

# ENERGY & SUSTAINABILITY



## *Structure.*

In residential developments 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 0.6

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 and the temperature can be set separately for different rooms. Heat pumps will produce heating, cooling and warm water which will reduce energy consumption.

## *Rain water.*

Rainwater is saved for watering the garden.

## *Ventilation with energy recovery.*

The Esplanade will have mechanical ventilation in the apartments with energy recovery. Southend Planning Department did not like the solar panels, so we have removed them from the planning application.

# SHARE TRADING

## Trading of shares in Redab Properties Plc

You sell at 87.5% of NAV

Redab Properties Plc holds a stock of up to 100,000 shares

Buy

Buy

### OPTION 1

Payment for One Unit =  
£1,450

2,000 shares at 87.5% of NAV  
(£980)

£470 loan with 6.5% interest,  
due date 31 December 2017

### OPTION 2

SHARES ONLY

92.5% of NAV

*If you wish to buy or sell your shares in Redab Properties Plc please contact us directly.  
Telephone: +44 (0)20 7730 0213  
Email: [info@redab.com](mailto:info@redab.com)*

*This offer is valid to  
31st October 2015.*

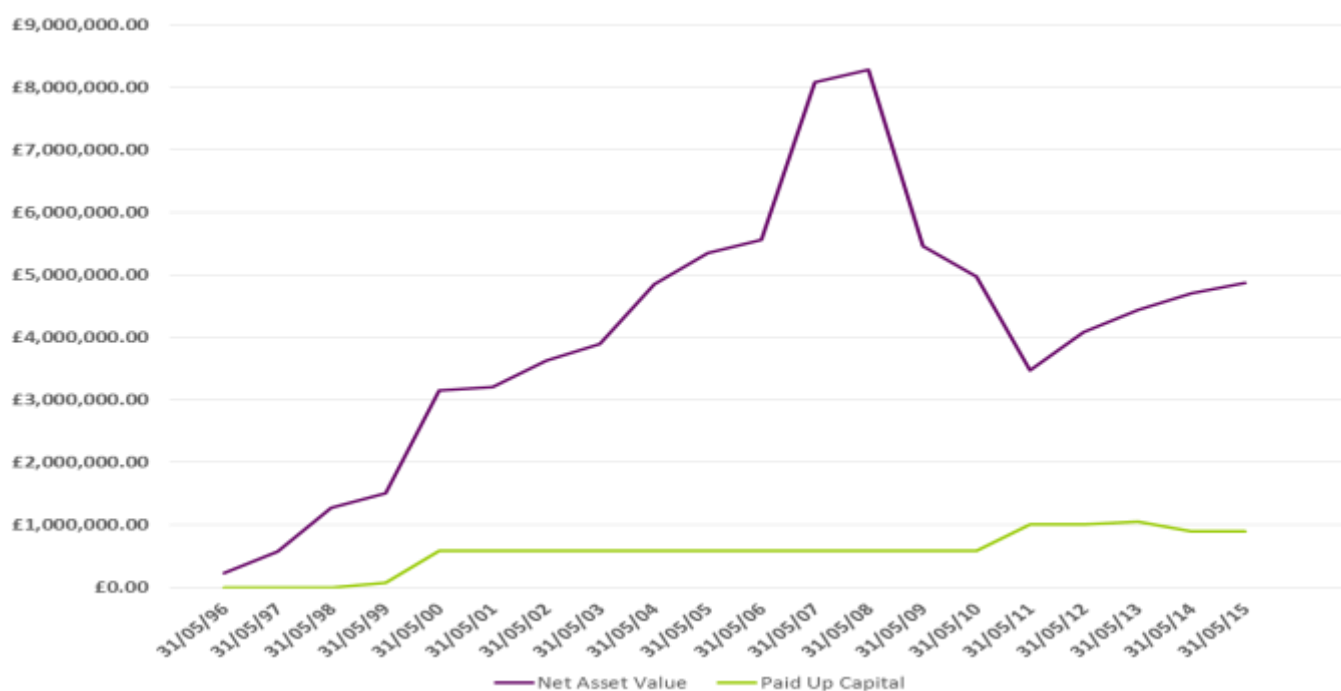
# REMINDER FOR SHAREHOLDERS

Annual General Meeting 28th August 2015  
The Royal Aeronautical Society Headquarters  
4 Hamilton Place,  
London, W1J 7BQ

Have you let us know that you are coming?  
If not, please ensure you return your proxy to us.

## DEVELOPMENT OF NET ASSET VALUE PER SHARE

31ST MAY 2015



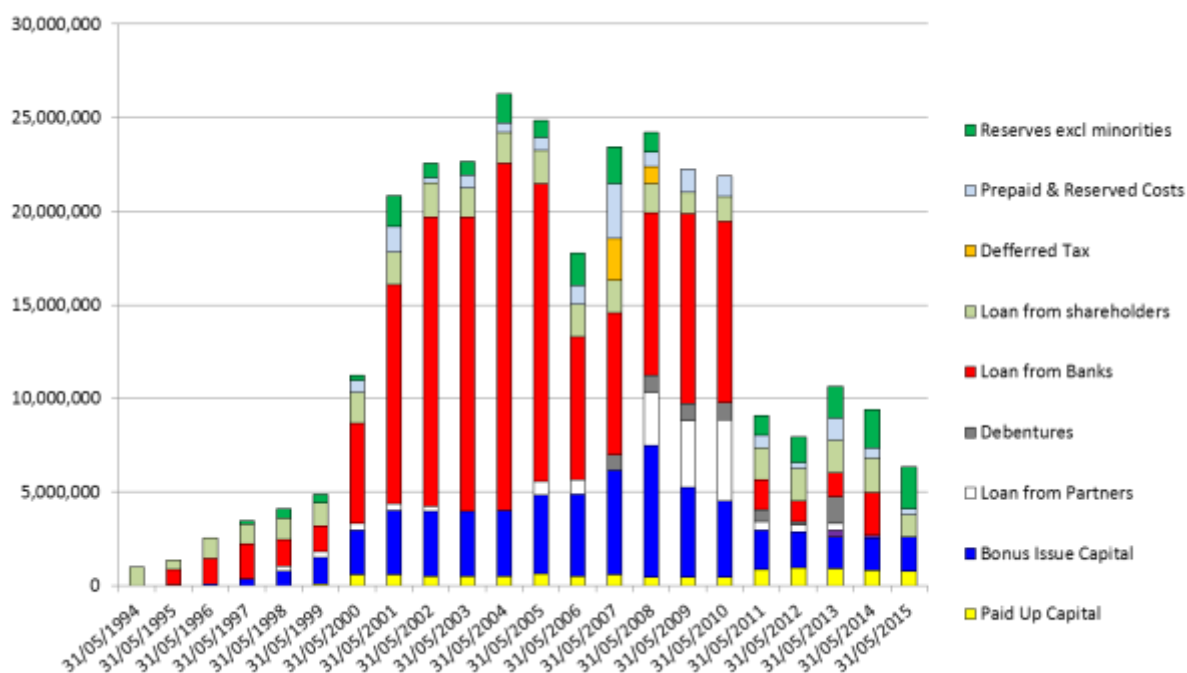


## Net Asset Value (NAV) 31st May 2015

Value per share	31st May 2012	31st May 2013	31st May 2014	31st May 2015
Net Asset Value	£4,087,926	£4,442,123	£4,715,853	£4,871,497
Per share: 9,018,201	45.30 pence			
Per share: 9,217,215		48.2 pence		
Per share: 8,830,743			53.4 pence	
Per share: 8,680,743				56.1 pence +5.1%
Subject to all 153,514 options are converted to shares (8,984,257) NAV will be		47.68 pence	52.7 pence	
Per share: 8,834,257				55.4 pence +5.1%

## CAPITAL STRUCTURE

31ST MAY 2015



# THE DEVELOPMENT OF SHARE CAPITAL

31ST MAY 2015 (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				
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
2013	Repurchase	- 152,935	- 45,081	9,064,280	2,719,284
2014	Repurchase	- 233,537	- 70,061	8,830,743	2,649,223
2015	Repurchase	-150,000	-45,000	8,680,743	2,604,223

# PROFIT & LOSS ACCOUNT AND BALANCE SHEET

31ST MAY 2015 (POUND STERLING)

<b>CONSOLIDATED PROFIT AND LOSS</b>	<b>31/05 2012</b>	<b>31/05 2013</b>	<b>31/05 2014</b>	<b>31/05 2015</b>
Costs	- 1,842,698	- 920,539	- 5,332,812	- 7,124,904
Income	2,239,707	793,828	6,333,016	7,534,782
P/(L) before finance	397,009	- 126,711	1,000,204	409,878
Finance	- 261,844	- 169,834	- 625,600	- 125,029
P/(L) before taxation	135,165	- 296,545	374,604	284,849
Tax	0	0	0	0
<b><i>P/(L) after taxation</i></b>	<b>135,165</b>	<b>- 296,545</b>	<b>374,604</b>	<b>284,849</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>31/05 2012</b>	<b>31/05 2013</b>	<b>31/05 2014</b>	<b>31/05 2015</b>
Properties with Plant and Machinery	6,401,110	10,291,740	7,768,742	2,330,519
Debtors	263,993	302,839	1,683,701	257,564
Bank	1,113,843	207,875	76,397	3,773,461
<b><i>Total Assets</i></b>	<b>7,778,946</b>	<b>10,802,454</b>	<b>9,528,840</b>	<b>6,361,544</b>
Creditors	316,329	1,209,156	548,792	160,994
Taxation	0	0	0	0
Loan from Shareholders	1,728,753	1,746,205	1,814,539	1,329,053
Loan from partners	373,119	373,119	0	0
Debentures – profit share loan	167,819	1,453,576	0	0
Private loan		330,000	150,000	0
Loan from banks	1,105,000	1,248,275	2,299,656	0
Share capital	2,705,460	2,765,165	2,649,223	2,604,223
Reserves	1,382,466	1,676,958	2,066,630	2,267,274
Potential tax on hidden Capital Gain	0	0	0	0
Minority Shareholders' interests in subsidiaries	0	0	0	0
<b><i>Total Liabilities, Capital and Reserves</i></b>	<b>7,778,946</b>	<b>10,802,454</b>	<b>9,528,840</b>	<b>6,361,544</b>

# 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 projects, completed in June 2013 is 657 Commercial Road and five 3 bedroom apartments in Kilburn early 2014, of which 3 were sold in 2013-14. A fourth is now sold.

**Redab Properties Plc** has purchased and developed with good profits, a number of properties in London. Our latest purchase is The Esplanade Southend-on-Sea. Work on planning consent for 24 apartments and commercial space of 7,000 sq ft is ongoing. Our target is to start on site November 2016, subject to planning consent in September 2015.

**Redab Properties Plc** have converted assets to cash to enable new developments.

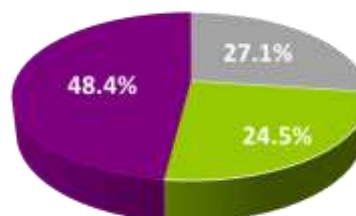
**Redab Properties Plc** need more funds to develop our Southend-on-Sea Project.

**Redab Properties Plc** are well placed to handle future profits.

**Redab Properties Plc** are offering a new investment possibility of a unit or more (a unit consists of shares and subordinated loan where the loan generates an annual interest of 6.5%). Please take a look at our website [www.redabproperties.com](http://www.redabproperties.com)

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

Ownership 31 May 2015



■ T. Ljungberg B.V. ■ External Shareholders ■ Redab PLC

Number of shareholders: 291 (31/05 2015)

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