

Company Registration No. 05212446 (England and Wales)

## STATUTORY COPY

**REVCAP PROPERTIES 5 LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2011**

TUESDAY



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COMPANIES HOUSE

# **REVCAP PROPERTIES 5 LIMITED**

## **COMPANY INFORMATION**

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**Directors**

A J Pettit  
W J Killick  
S J Pettit  
N A West

**Secretary**

R B Mitchell

**Company number**

05212446

**Registered office**

20 Balderton Street  
London  
W1K 6TL

**Auditors**

UHY Hacker Young  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

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**REVCAP PROPERTIES 5 LIMITED**

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# **REVCAP PROPERTIES 5 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2011**

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The directors present their report and financial statements for the year ended 30 April 2011

#### **Principal activities and review of the business**

The principal activity of the company during the year continued to be that of property investment

Economic austerity continues to be a key theme in many European markets. This may have adverse impacts on both levels of employment and consumer confidence, as well as putting some brakes on economic growth across the Eurozone and has led to fears of a double dip recession. Current market and bank conditions have also contributed to the continued reluctance of senior lenders to return in scale to the property market, with a combination of diminished appetite, illiquidity and intensive position management meaning only a small number of banks are active in the property sector. The combination of the above means the property market continues to be very difficult and we expect this to continue during the next financial year. Whilst remaining vigilant for opportunities that may arise as a result of market dislocation, the directors are prudently approaching the protection and realisation of value in each of the company's assets.

During the year the company continued to make loans to its property investment joint ventures. The company's share of losses of property LLP joint ventures was £2,045,196 (2010: £2,820,711) and loan interest receivable was £93,723 (2010: £56,927). Our financial risk management objectives are to protect the company from rising interest rates. This is achieved by entering into interest rate swaps on a Group basis. Other than this, the use of financial instruments is not material for the assessment of the assets, liabilities, financial position and loss of the company.

The company's fixed asset investments at the year end was £1 (2010: €500,000) following a cumulative provision for diminution in value of £339,671 (2010: £1,791,145). The results for the year and the financial position at the year end were considered satisfactory by the directors. No events have occurred since the balance sheet date which significantly affect the company.

#### **Results and dividends**

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend

#### **Directors**

The following directors have held office since 1 May 2010

A J Pettit  
W J Killick  
S J Pettit  
N A West

## **REVCAP PROPERTIES 5 LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 30 APRIL 2011**

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##### **Directors' interests**

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	30 April 2011	1 May 2010
A J Pettit	-	-
W J Killick	-	-
S J Pettit	-	-
N A West	-	-

A J Pettit and W J Killick are designated members of and N A West is a member of Real Estate Venture Capital Partners LLP, the ultimate parent company

##### **Auditors**

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487(2) of the Companies Act 2006

##### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REVCAP PROPERTIES 5 LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



R B Mitchell

Secretary

19 January 2012

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF REVCAP PROPERTIES 5 LIMITED**

We have audited the financial statements of Revcap Properties 5 Limited for the year ended 30 April 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its 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

**Opinion on other matter prescribed by the Companies Act 2006**


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF REVCAP PROPERTIES 5 LIMITED**

**Matters on which we are required to report by exception**

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

  
**Marc Waterman (Senior Statutory Auditor)**  
for and on behalf of UHY Hacker Young

19 January 2012

**Chartered Accountants**  
**Statutory Auditor**



**REVCAP PROPERTIES 5 LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
Administrative expenses		(43,000)	(55,980)
<b>Operating loss</b>	<b>2</b>	(43,000)	(55,980)
Investment income	3	(2,045,196)	(2,820,711)
Other interest receivable and similar income	3	93,723	56,927
Amounts written off investments	4	1,451,474	2,750,515
Interest payable and similar charges	5	(426,082)	(520,316)
<b>Loss on ordinary activities before taxation</b>		(969,081)	(589,565)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the year</b>	<b>12</b>	(969,081)	(589,565)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

**REVCAP PROPERTIES 5 LIMITED****BALANCE SHEET****AS AT 30 APRIL 2011**

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Investments	7		1	500,000	
<b>Current assets</b>					
Debtors	8	93,169		-	
Creditors: amounts falling due within one year	9	<u>(1,011,161)</u>		<u>(889,065)</u>	
<b>Net current liabilities</b>			<u>(917,992)</u>		<u>(889,065)</u>
<b>Total assets less current liabilities</b>			<u>(917,991)</u>		<u>(389,065)</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(7,150,565)</u>		<u>(6,710,410)</u>
			<u>(8,068,556)</u>		<u>(7,099,475)</u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account	12		<u>(8,068,557)</u>		<u>(7,099,476)</u>
<b>Shareholders' funds</b>	13		<u>(8,068,556)</u>		<u>(7,099,475)</u>

Approved by the Board and authorised for issue on 19 January 2012

A J Pettit  
Director

Company Registration No. 05212446

# **REVCAP PROPERTIES 5 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis as in the directors' opinion the predicted future cash flows from the group's joint venture investments and funds available under the group banking facilities will be sufficient to meet the company's liabilities as they fall due

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1.3 Investments**

The company meets the description of an investment fund given in FRS9, Associates and Joint Ventures, and its Joint Ventures are held as part of an investment portfolio. Accordingly, and as permitted by FRS9, these investments are included in the balance sheet at cost less any necessary impairment charges

The company's loan balances with its joint ventures are capitalised as fixed asset loans to joint ventures

In accordance with this policy, the company's share of the results of its joint ventures are not recognised until the underlying investments are realised, except to the extent that investment income is recognised as set out below

#### **1.4 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.5 Investment income**

The company's share of the profits and losses of its joint venture investments in Limited Liability Partnerships (LLPs) and partnerships accrue to the company, and are therefore included in the profit and loss account, as they arise. This accrued income is regarded as an additional investment and is therefore included in the balance sheet as additional loans to the respective joint ventures.

# REVCAP PROPERTIES 5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

### 1 Accounting policies

(Continued)

#### 1.6 Interest rate swaps

The Group uses interest rate swaps to manage the exposure to interest rate movements arising from the business activities of the Group and the financing of those activities. Interest is charged to the profit and loss account during the year for the net income or expense for the company's allocation of the Group interest rate swap entered into. The Companies Act 2006 permits but does not require companies to adopt "fair value accounting" in respect of financial instruments that they are party to. As the company has chosen not to adopt fair value accounting, no entry is made for the fair value of, nor for the notional amount of the interest rate swap in the balance sheet.

### 2 Operating loss

2011

2010

£

£

Operating loss is stated after charging

Fees payable to the company's auditor for the audit of the company's annual accounts

3,000

2,876

### 3 Investment income and other interest receivable

2011

2010

£

£

#### Investment income

Share in (losses) of LLP joint ventures

(2,045,196)

(2,820,711)

#### Other interest receivable and similar income

Interest on joint venture loans

93,723

56,927

### 4 Amounts written off investments

2011

2010

£

£

Amounts written off fixed asset investments:

- diminution in value

(1,451,474)

(2,750,515)

### 5 Interest payable

2011

2010

£

£

On bank loans and overdrafts

238,655

324,976

On interest rate swaps

187,427

195,340

426,082

520,316

**REVCAP PROPERTIES 5 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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<b>6</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
	<b>Total current tax</b>	<b>-</b>	<b>-</b>
		<hr/>	<hr/>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(969,081)	(589,565)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2010 - 28 00%)	(271,343)	(165,078)
		<hr/>	<hr/>
	Effects of:		
	Tax losses	271,343	165,078
		<hr/>	<hr/>
		271,343	165,078
		<hr/>	<hr/>
	<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>
		<hr/>	<hr/>

**REVCAP PROPERTIES 5 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

**7 Fixed asset investments**

	<b>Investments in joint ventures £</b>	<b>Loans to joint ventures £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 May 2010	750	2,290,395	2,291,145
Interest on joint venture loans	-	93,723	93,723
Share in (losses) of LLP joint ventures	-	(2,045,196)	(2,045,196)
	<u>750</u>	<u>338,922</u>	<u>339,672</u>
<b>At 30 April 2011</b>			
<b>Provisions for diminution in value</b>			
At 1 May 2010	-	1,791,145	1,791,145
Charge for the year	749	(1,452,223)	(1,451,474)
	<u>749</u>	<u>338,922</u>	<u>339,671</u>
<b>At 30 April 2011</b>			
<b>Net book value</b>			
At 30 April 2011	<u>1</u>	<u>-</u>	<u>1</u>
<b>At 30 April 2010</b>	<u>750</u>	<u>499,250</u>	<u>500,000</u>

The company holds 75% of the equity capital of Lightstone LLP, a limited liability partnership incorporated in England and Wales. Lightstone LLP had a loss for the year ended 30 September 2010 of £2,775,521 and a capital and reserves deficit of £82,864 as at 30 September 2010. The joint venture is managed jointly through management boards on which other joint venture partners are represented in accordance with their respective interests in the joint venture.

<b>8 Debtors</b>	<b>2011 £</b>	<b>2010 £</b>
Other debtors	<u>93,169</u>	<u>-</u>

**REVCAP PROPERTIES 5 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

<b>9 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amounts owed to parent and fellow subsidiary undertakings	992,688	869,974
Accruals and deferred income	18,473	19,091
	<u>1,011,161</u>	<u>889,065</u>

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans	<u>7,150,565</u>	<u>6,710,410</u>

The bank loans and overdrafts are secured on the assets of the company, its parent and fellow subsidiary undertakings

<b>11 Share capital</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

<b>12 Statement of movements on profit and loss account</b>	<b>Profit and loss account £</b>
Balance at 1 May 2010	(7,099,476)
Loss for the year	<u>(969,081)</u>
Balance at 30 April 2011	<u>(8,068,557)</u>

# REVCAP PROPERTIES 5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

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<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(969,081)	(589,565)
Opening shareholders' funds	(7,099,475)	(6,509,910)
	<hr/>	<hr/>
Closing shareholders' funds	<u>(8,068,556)</u>	<u>(7,099,475)</u>

### 14 Contingent liabilities

The assets of the company are used as security in respect of bank loans and overdrafts for the company, its parent and fellow subsidiary undertakings

### 15 Employees

#### Number of employees

There were no employees during the year apart from the directors

### 16 Control

The ultimate parent is Real Estate Venture Capital Partners LLP. This limited liability partnership is controlled by its members.

### 17 Related party relationships and transactions

At the year end there was a balance of £992,688 (2010 £869,974) owed to Revcap UK Holdings Limited, the parent company of Revcap Properties 5 Limited.

During the year directors' fees of £40,000 (2010 £50,000) and arrangement fees of £Nil (2010 £317) were charged by Real Estate Venture Capital Management LLP, a fellow subsidiary undertaking of the ultimate controlling party.