

Company Registration No. 5250415 (England and Wales)

STATUTORY COPY

REVCAP PROPERTIES 16 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010



REVCAP PROPERTIES 16 LIMITED

COMPANY INFORMATION

Directors

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

Secretary

R B Mitchell

Company number

5250415

Registered office

20 Balderton Street
London
W1K 6TL

Auditors

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

REVCAP PROPERTIES 16 LIMITED

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REVCAP PROPERTIES 16 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2010

The directors present their report and financial statements for the year ended 30 April 2010

Principal activities and review of the business

The principal activity of the company is that of property investment

Since the onset of the global financial crisis in August 2007, property market conditions significantly deteriorated caused by a lack of liquidity in the banking sector and a consequent reduction in transaction activity as well as fears of a downturn in the real economy. However, over recent months some liquidity has returned to the banking sector leading to early signs of a recovery in certain property markets. We are cautious about whether this trend will 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 made loans to its property investment subsidiary undertaking. 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 £2 (2009 £Nil) and the company's loan to its subsidiary undertaking was £820,498 (2009 £Nil). 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 2009

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

REVCAP PROPERTIES 16 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

Directors' interests

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

	Ordinary shares of £1 each	
	30 April 2010	1 May 2009
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

UHY Hacker Young are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under 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 16 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

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

20 January 2011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REVCAP PROPERTIES 16 LIMITED

We have audited the financial statements of Revcap Properties 16 Limited for the year ended 30 April 2010 set out on pages 6 to 12. 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 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/UKNP.

Qualified opinion arising from omission of information regarding disclosure

As explained in note 9, the financial statements do not disclose the interest rate on loans repayable or redemption date as required by Schedule 1 of Statutory Instrument 2008/410 Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Except for the failure to disclose information relating to the above matters, in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2010 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 16 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



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

20 January 2011

Chartered Accountants
Statutory Auditor

REVCAP PROPERTIES 16 LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2010**

		2010	2009
	Notes	£	£
Administrative expenses		(33,274)	-
		<hr/>	<hr/>
Operating loss	2	(33,274)	-
Interest payable and similar charges	3	(63,493)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(96,767)	-
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
Loss for the year	11	(96,767)	-
		<hr/>	<hr/>

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 16 LIMITED**BALANCE SHEET****AS AT 30 APRIL 2010**

	Notes	2010 £	£	2009 £	£
Fixed assets					
Investments	6		2		-
Current assets					
Debtors	7	820,498		1	
Creditors: amounts falling due within one year	8	<u>(90,213)</u>		<u>-</u>	
Net current assets			<u>730,285</u>		<u>1</u>
Total assets less current liabilities			<u>730,287</u>		<u>1</u>
Creditors: amounts falling due after more than one year	9		<u>(827,053)</u>		<u>-</u>
			<u>(96,766)</u>		<u>1</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		<u>(96,767)</u>		<u>-</u>
Shareholders' funds	12		<u>(96,766)</u>		<u>1</u>

Approved by the Board and authorised for issue on 20 January 2011

A J Pettit
Director

Company Registration No. 5250415

REVCAP PROPERTIES 16 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010

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 that information relating to the interest rate payable and redemption date on loans have not been disclosed, as the directors consider this information to be of a sensitive nature

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value

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 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Real Estate Venture Capital Partners LLP, a limited liability partnership incorporated in England and Wales, and is included in the consolidated accounts of that limited liability partnership

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

REVCAP PROPERTIES 16 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2010**

2	Operating loss	2010	2009
		£	£
	Operating loss is stated after charging		
	Fees payable to the company's auditor for the audit of the company's annual accounts	2,761	-
		<u>2,761</u>	<u>-</u>
3	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	2,451	-
	On interest rate swaps	61,042	-
		<u>63,493</u>	<u>-</u>
4	Taxation	2010	2009
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(96,767)	-
		<u>(96,767)</u>	<u>-</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	(27,095)	-
	Effects of		
	Tax losses utilised	27,095	-
		<u>27,095</u>	<u>-</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
5	Dividends	2010	2009
		£	£
	Ordinary interim paid	-	2,319
		<u>-</u>	<u>2,319</u>

REVCAP PROPERTIES 16 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2010

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 May 2009	-
Additions	2
	<hr/>
At 30 April 2010	2
	<hr/>
Net book value	
At 30 April 2010	2
	<hr/> <hr/>

The following is a 100% owned subsidiary undertaking, registered in Jersey, with a principal activity of property investment

KH Revcap (CEVA) Limited

This company was incorporated on 8 April 2010 and sold on 20 August 2010

7 Debtors	2010 £	2009 £
Amounts owed by parent and fellow subsidiary undertakings	-	1
Amounts owed by subsidiary undertakings	820,498	-
	<hr/>	<hr/>
	820,498	1
	<hr/> <hr/>	<hr/> <hr/>

8 Creditors: amounts falling due within one year	2010 £	2009 £
Amounts owed to parent and fellow subsidiary undertakings	82,349	-
Accruals and deferred income	7,864	-
	<hr/>	<hr/>
	90,213	-
	<hr/> <hr/>	<hr/> <hr/>

REVCAP PROPERTIES 16 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2010

9	Creditors: amounts falling due after more than one year	2010 £	2009 £
	Bank loans	827,053	-

The bank loans and overdrafts are secured on the assets of the company, its parent and fellow subsidiary undertakings. The interest rate payable and redemption date have not been disclosed on commercial grounds.

10	Share capital	2010 £	2009 £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	1 Ordinary shares of £1 each	1	1

11	Statement of movements on profit and loss account	Profit and loss account £
	Loss for the year	(96,767)
	Balance at 30 April 2010	(96,767)

12	Reconciliation of movements in shareholders' funds	2010 £	2009 £
	Loss for the financial year	(96,767)	-
	Dividends	-	(2,319)
	Net depletion in shareholders' funds	(96,767)	(2,319)
	Opening shareholders' funds	1	2,320
	Closing shareholders' funds	(96,766)	1

REVCAP PROPERTIES 16 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2010

13 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

14 Employees

Number of employees

There were no employees during the year apart from the directors

15 Control

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

16 Related party transactions

At the year end there was a balance of £82,349 owed to (2009 £1 owed by) Revcap UK Holdings Limited, the parent company of Revcap Properties 16 Limited. At the year end there was a balance of £820,498 (2009 £Nil) owed by KH Revcap (CEVA) Limited, a subsidiary undertaking.

During the year directors' fees of £10,000 (2009 £Nil) and arrangement fees of £16,410 (2009 £Nil) were charged by Real Estate Venture Capital Management LLP, a fellow subsidiary undertaking of the ultimate controlling company.