

Company Registration No. 05395057 (England and Wales)

STATUTORY COPY

REVCAP PROPERTIES 22 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2013

UHY Hacker Young
Chartered Accountants



L9 *L30QQGY2* #10
31/01/2014
COMPANIES HOUSE

4251BA

REVCAP PROPERTIES 22 LIMITED

COMPANY INFORMATION

Directors

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

Secretary

R B Mitchell

Company number

05395057

Registered office

20 Balderton Street
London
W1K 6TL

Auditors

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

REVCAP PROPERTIES 22 LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

REVCAP PROPERTIES 22 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2013

The directors present their report and financial statements for the year ended 30 April 2013

Principal activities and review of the business

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

There is a growing confidence that the macroeconomic climate has passed an inflection point. This momentum is materially moving the performance of the real estate market out of defensive mode and reinforcing the potential for a more sustainable growth path ahead. The sensitivity of low rates on shallow yield curves has taken global markets by surprise as this self-inflicted credit dislocation has been much greater than the fundamentals justify. Governments are in pursuit of stability and certainly do not want to interfere with the market's adjustment process at the dawn of improved business confidence, a healthier growth footing, more robust labour markets and a housing recovery. Furthermore, the sizeable economic slack, ongoing deleveraging pressures, tight credit channels, elevated funding margins and deflationary weight in the wider economy all underline the necessity of monetary easing to stay the course. The impact of quantitative easing in the UK is less than many anticipated as it has replaced demand. The underlying reflationary ambitions of policy makers are encouraging buoyancy at the risk of creating asset bubbles, so long as deflation can be avoided. The pro-cyclical nature of real estate stands to reap a multitude of benefits from increased demand and asset allocations into limited stock, a restricted development supply pipeline, the attractive yield spread over interest rates, improving occupational demand and firming rents. Non-traditional owners of real estate are increasingly willing to de-leverage and release assets into a more upbeat market, however the pressure to overpay for assets is strong. The relative lack of focus on non-prime, regional or short-term income assets to reverse quickly and staying ahead of the curve and a well-timed exit should generate strong absolute returns. The combination of the above means the property market continues to show steady improvement 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 and working with lenders to realise underlying asset values.

During the year the company continued making loans to its property investment joint ventures and loan interest receivable was £20,800 (2012 £77,980). Following an asset realisation review the company made a provision for diminution in value of £19,446 (2012 £846,485). 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 (2012 £30,000) following a cumulative provision for diminution in value of £1,039,032 (2012 £1,019,586). 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

REVCAP PROPERTIES 22 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

Directors

The following directors have held office since 1 May 2012

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

Directors' interests

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

	Ordinary Shares of £1 each	
	30 April 2013	1 May 2012
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

REVCAP PROPERTIES 22 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

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.

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
24 January 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REVCAP PROPERTIES 22 LIMITED

We have audited the financial statements of Revcap Properties 22 Limited for the year ended 30 April 2013 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.

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 2013 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 22 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

24 January 2014

Chartered Accountants
Statutory Auditor

REVCAP PROPERTIES 22 LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2013**

	Notes	2013 £	2012 £
Administrative expenses		(44,157)	(43,030)
Operating loss	2	(44,157)	(43,030)
Other interest receivable and similar income	3	20,800	77,980
Amounts written off investments	4	(19,446)	(846,485)
Interest payable and similar charges	5	(54,483)	(39,780)
Loss on ordinary activities before taxation		(97,286)	(851,315)
Tax on loss on ordinary activities	6	-	-
Loss for the year	12	(97,286)	(851,315)

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 22 LIMITED**BALANCE SHEET****AS AT 30 APRIL 2013**

	Notes	2013 £	£	2012 £	£
Fixed assets					
Investments	7		1		30,000
Current assets					
Debtors	8	216,539		201,383	
Creditors: amounts falling due within one year	9	<u>(7,501)</u>		<u>(6,851)</u>	
Net current assets			<u>209,038</u>		<u>194,532</u>
Total assets less current liabilities			<u>209,039</u>		<u>224,532</u>
Creditors: amounts falling due after more than one year	10		<u>(1,286,453)</u>		<u>(1,204,660)</u>
			<u>(1,077,414)</u>		<u>(980,128)</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		<u>(1,077,415)</u>		<u>(980,129)</u>
Shareholders' funds	13		<u>(1,077,414)</u>		<u>(980,128)</u>

Approved by the Board and authorised for issue on 24 January 2014

A J Pettit
Director

Company Registration No. 05395057

REVCAP PROPERTIES 22 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2013

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

Income from the company's joint venture investments in limited companies is included in the profit and loss account when, and to the extent that, dividends have been declared and are payable, and are included in debtors until they are received

REVCAP PROPERTIES 22 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

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	2013	2012
	£	£
Operating loss is stated after charging		
Fees payable to the company's auditor for the audit of the company's annual accounts	3,000	3,000
	<u> </u>	<u> </u>
 3 Investment income and other interest receivable	 2013	 2012
	£	£
 Other interest receivable and similar income		
Interest on joint venture loans	20,800	77,980
	<u> </u>	<u> </u>
 4 Amounts written off investments	 2013	 2012
	£	£
 Amounts written off fixed asset investments		
- diminution in value	19,446	846,485
	<u> </u>	<u> </u>
 5 Interest payable	 2013	 2012
	£	£
 On bank loans and overdrafts	9,942	12,118
On interest rate swaps	44,541	27,662
	<u> </u>	<u> </u>
	54,483	39,780
	<u> </u>	<u> </u>

REVCAP PROPERTIES 22 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2013**

6	Taxation	2013	2012
	Total current tax	-	-
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(97,286)	(851,315)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	(23,349)	(221,342)
		<hr/>	<hr/>
	Effects of Tax losses	23,349	221,342
		<hr/>	<hr/>
		23,349	221,342
		<hr/>	<hr/>
	Current tax charge for the year	-	-
		<hr/>	<hr/>

REVCAP PROPERTIES 22 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

7 Fixed asset investments

	Investments in joint ventures £	Loans to joint ventures £	Total £
Cost			
At 1 May 2012	1	1,049,585	1,049,586
Interest on joint venture loans	-	20,800	20,800
Receipts from joint ventures	-	(31,353)	(31,353)
At 30 April 2013	1	1,039,032	1,039,032
Provisions for diminution in value			
At 1 May 2012	-	1,019,586	1,019,586
Charge for the year	-	19,446	19,446
At 30 April 2013	-	1,039,032	1,039,032
Net book value			
At 30 April 2013	1	-	1
At 30 April 2012	1	29,999	30,000

The company holds 0.98% of the share capital of London & Newcastle (PF) Limited, a company incorporated in England and Wales. London & Newcastle (PF) Limited had a loss for the year ended 31 March 2012 of £9,731 and a capital and reserves deficit of £775,431 as at 31 March 2012, being the latest financial information available. 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.

8 Debtors

	2013 £	2012 £
Amounts owed by parent and fellow subsidiary undertakings	216,539	201,383

REVCAP PROPERTIES 22 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

9 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	-	536
Accruals and deferred income	7,501	6,315
	<u>7,501</u>	<u>6,851</u>

10 Creditors: amounts falling due after more than one year	2013	2012
	£	£
Bank loans	<u>1,286,453</u>	<u>1,204,660</u>

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

11 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2012	(980,129)
Loss for the year	<u>(97,286)</u>
Balance at 30 April 2013	<u>(1,077,415)</u>

REVCAP PROPERTIES 22 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

13 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Loss for the financial year	(97,286)	(851,315)
Opening shareholders' funds	(980,128)	(128,813)
	<hr/>	<hr/>
Closing shareholders' funds	<u>(1,077,414)</u>	<u>(980,128)</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 £216,539 (2012 £201,383) owed by Revcap UK Holdings Limited, the parent company of Revcap Properties 22 Limited.

During the year directors' fees of £40,000 (2012 £40,000), were charged by Real Estate Venture Capital Management LLP, a fellow subsidiary undertaking of the ultimate controlling company.

During the year repayment fees of £1,157 (2012 £30) were charged by Lumley Properties 1 LLP of which A J Pettit and W J Killick are designated members.