

**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
FOR  
REBETICS LIMITED**



**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

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FOR THE YEAR ENDED 31 DECEMBER 2010**

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**REBETICS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**DIRECTOR:** T J Flanagan

**SECRETARY:** A Davies

**REGISTERED OFFICE:** Park House  
26 North End Road  
London  
NW11 7PT

**REGISTERED NUMBER:** 4822311 (England and Wales)

**AUDITORS:** DTE Business Advisory Services Limited  
Chartered Accountants and Registered Auditors  
Park House  
26 North End Road  
London  
NW11 7PT

**BANKERS:** Bank of Scotland Plc  
38 Threadneedle Street  
London  
EC2P 2EH

**SOLICITORS:** Howard Kennedy  
19 Cavendish Square  
London  
W1A 2AW

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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The director presents his report with the financial statements of the company for the year ended 31 December 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property traders

**REVIEW OF BUSINESS**

The results for the year are set out from page 5 onwards

The company disposed of its remaining property in February 2010 for a consideration of £900,000

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2010

**DIRECTOR**

T J Flanagan has held office during the whole of the period from 1 January 2010 to the date of this report

Other changes in directors holding office are as follows

C L Tippet - resigned 31 December 2009

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2010**

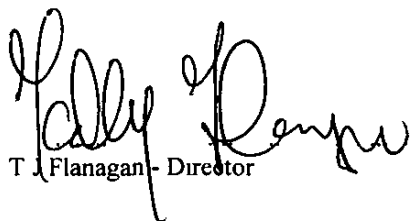
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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This director's report has been prepared in accordance with the special provisions relating to small companies under part 15 of the Companies Act 2006

**ON BEHALF OF THE BOARD:**



T. J. Flanagan - Director

Date 21-6-11

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF REBETICS LIMITED

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We have audited the financial statements of Rebetics Limited for the year ended 31 December 2010 on pages five to twelve. 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

### 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 31 December 2010 and of its profit 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*DTE Business Advisory Services Limited*

Pankaj Patel (Senior Statutory Auditor)

for and on behalf of DTE Business Advisory Services Limited

Chartered Accountants and Registered Auditors

Park House

26 North End Road

London

NW11 7PT

Date *28 JUN 2011*

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	901,347	33,367
Cost of sales		(859,935)	-
<b>GROSS PROFIT</b>		41,412	33,367
Administrative expenses		(12,628)	(23,869)
<b>OPERATING PROFIT</b>	4	28,784	9,498
Interest receivable and similar income	5	2,218	1
		31,002	9,499
Interest payable and similar charges	6	(3,165)	(43,225)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		27,837	(33,726)
Tax on profit/(loss) on ordinary activities	7	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		27,837	(33,726)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

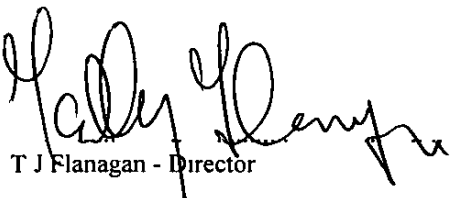
The notes form part of these financial statements

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**BALANCE SHEET  
31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>CURRENT ASSETS</b>			
Stocks	8	-	859,935
Debtors	9	151,916	156,082
Cash at bank		323	59,238
		<u>152,239</u>	<u>1,075,255</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	(3,465)	(204,318)
<b>NET CURRENT ASSETS</b>		<u>148,774</u>	<u>870,937</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		148,774	870,937
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	-	(750,000)
<b>NET ASSETS</b>		<u><u>148,774</u></u>	<u><u>120,937</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1	1
Profit and loss account	14	148,773	120,936
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>148,774</u></u>	<u><u>120,937</u></u>

The financial statements were approved by the director on 21-6-11 and were signed by

  
T J Flanagan - Director

The notes form part of these financial statements



**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>Net cash inflow from operating activities</b>	1	885,855	7,516
<b>Returns on investments and servicing of finance</b>	2	(947)	(43,224)
		<u>884,908</u>	<u>(35,708)</u>
<b>Financing</b>	2	(943,823)	45,174
<b>(Decrease)/Increase in cash in the period</b>		<u>(58,915)</u>	<u>9,466</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
(Decrease)/Increase in cash in the period		(58,915)	9,466
Cash outflow/(inflow) from decrease/(increase) in debt		<u>943,823</u>	<u>(45,174)</u>
Change in net debt resulting from cash flows		<u>884,908</u>	<u>(35,708)</u>
<b>Movement in net debt in the period</b>		<u>884,908</u>	<u>(35,708)</u>
<b>Net debt at 1 January</b>		<u>(877,769)</u>	<u>(842,061)</u>
<b>Net funds/(debt) at 31 December</b>		<u>7,139</u>	<u>(877,769)</u>

The notes form part of these financial statements

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	£	£
Operating profit	28,784	9,498
Decrease in stocks	859,935	-
Decrease/(Increase) in debtors	10,982	(5,665)
(Decrease)/Increase in creditors	(13,846)	3,683
<b>Net cash inflow from operating activities</b>	<b>885,855</b>	<b>7,516</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010	2009
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	2,218	1
Interest paid	(3,165)	(43,225)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(947)</b>	<b>(43,224)</b>
 <b>Financing</b>		
Repayments of long term bank loans	(750,000)	-
(Repayment)/Increase of intra group loan	(193,823)	45,174
<b>Net cash (outflow)/inflow from financing</b>	<b>(943,823)</b>	<b>45,174</b>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 10	Cash flow	At
	£	£	31 12 10
			£
<b>Net cash</b>			
Cash at bank	59,238	(58,915)	323
	<u>59,238</u>	<u>(58,915)</u>	<u>323</u>
 <b>Debt</b>			
Debts falling due within one year	(187,007)	193,823	6,816
Debts falling due after one year	(750,000)	750,000	-
	<u>(937,007)</u>	<u>943,823</u>	<u>6,816</u>
 <b>Total</b>	<b>(877,769)</b>	<b>884,908</b>	<b>7,139</b>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The company sold its remaining property in February 2010 at a small profit. Its financial position at the year end shows the company has net assets and is cash positive. Taking this into account, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the company therefore continues to adopt the going concern basis in preparing the annual report and accounts.

**Turnover**

Turnover comprises rental income from properties held for sale and any revenues derived from the sale of properties.

Rental income from property leased out under an operating lease is recognised in the profit and loss account on a straight line basis over the term of lease. Disposals of properties are accounted for at the date of exchange where there is a legally binding, unconditional contract and where completion takes place by the date of approval of the accounts.

**Stocks**

Stock is valued at the lower of cost and net realisable value. The cost of trading and development properties includes the purchase price of the trading asset and associated acquisition and development costs.

**Deferred taxation**

In accordance with the requirements of FRS 19, deferred tax is provided in full in respect of material taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Capitalisation of finance charges**

The direct costs incurred in connection with the issue of capital instruments have been deducted from the proceeds of the issue. The finance costs associated with debt have been allocated at a constant rate over the term of the loan.

2 TURNOVER

The turnover and profit (2009 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below.

	2010 £	2009 £
Sale of properties	900,000	-
Rent receivable and related	1,347	33,367
	<u>901,347</u>	<u>33,367</u>

3 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009.

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**4 OPERATING PROFIT**

The operating profit is stated after charging

	2010 £	2009 £
Auditors' remuneration	<u>2,850</u>	<u>2,850</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2010 £	2009 £
Bank interest	<u>2,218</u>	<u>1</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	2,532	43,225
Other interest paid	<u>633</u>	<u>-</u>
	<u>3,165</u>	<u>43,225</u>

**7 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>27,837</u>	<u>(33,726)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	7,794	(9,443)
Effects of		
Group relief	(7,794)	9,443
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £nil (2009 £nil) available for carry forward against future trading profits. The company also has an unprovided deferred tax asset amounting to £nil (2009 £nil) in respect of these losses.

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**8 STOCKS**

	2010 £	2009 £
Properties held for resale	-	859,935

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Amounts owed by group undertakings	6,816	-
Other debtors	145,100	154,733
Prepayments and accrued income	-	1,349
	<u>151,916</u>	<u>156,082</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	(602)	3,219
Amounts owed to group undertakings	-	187,007
Other creditors	-	9,000
Accruals and deferred income	4,067	5,092
	<u>3,465</u>	<u>204,318</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Bank loans (see note 12)	-	750,000

In 2008, the company refinanced its remaining properties by way of a 3-year, interest-only, £1.5m buy-to-let mortgage, £750,000 which was repaid from the proceeds of sale of one of the properties sold in that year. In 2010 the remaining property was sold and the balance of the mortgage repaid.

At 31 December 2010, the total secured creditors amounted to £nil (2009 £750,000)

**12 LOANS**

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due between two and five years		
Bank loans - 2-5 years	-	750,000

**REBETICS LIMITED (REGISTERED NUMBER: 4822311)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**13 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1	Ordinary		<u>1</u>	<u>1</u>

**14 RESERVES**

	Profit and loss account £
At 1 January 2010	120,936
Profit for the year	<u>27,837</u>
At 31 December 2010	<u>148,773</u>

**15 ULTIMATE PARENT COMPANY**

The immediate parent company is London Reit Limited, a company registered in England and Wales. The ultimate parent company is Bourne Capital Properties Limited, a company registered in Cyprus.

Happybadge Projects Limited, a company registered in England & Wales, and this company's intermediate parent undertaking, prepares group financial statements. Copies can be obtained from Park House, 26 North End Road, London NW11 7PT.

**16 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly-owned group companies on the grounds that consolidated financial statements are prepared by the immediate parent company.

Included within other debtors is an amount of £143,000 (2009: £143,000) due from The Ronnie Scott's Jazz Club Limited, in which S A Greene is a director and shareholder. S A Greene is a trustee of The Bourne Children's Trust, a Trust that has an interest in the ultimate parent company.

**17 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is R A Bourne by virtue of his beneficial interest in a trust that has a material interest in the ultimate parent company.

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit/(Loss) for the financial year	<u>27,837</u>	<u>(33,726)</u>
Net addition/(reduction) to shareholders' funds	27,837	(33,726)
Opening shareholders' funds	<u>120,937</u>	<u>154,663</u>
Closing shareholders' funds	<u>148,774</u>	<u>120,937</u>