

Registered number: 1755223

REGISTRAR OF
COMPANIES

REH PROPERTY INVESTMENT CO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 30 April 2008

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REH PROPERTY INVESTMENT CO LIMITED

COMPANY INFORMATION

DIRECTORS

Mr M A Pears
Mr T S Pears
Mr D A Pears
WPG Registrars Limited

COMPANY SECRETARY

Mr M D A Keidan

COMPANY NUMBER

1755223

REGISTERED OFFICE

Ground Floor
30 City Road
London EC1Y 2AB

AUDITORS

Arram Berlyn Gardner
Chartered Accountants & Registered Auditors
Ground Floor
30 City Road
London EC1Y 2AB

REH PROPERTY INVESTMENT CO LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

REH PROPERTY INVESTMENT CO LIMITED

DIRECTORS' REPORT for the year ended 30 April 2008

The directors present their report and the financial statements for the year ended 30 April 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- 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 proper accounting records that 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 1985. 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.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

DIRECTORS

The directors who served during the year were:

Mr M A Pears
Mr T S Pears
Mr D A Pears
WPG Registrars Limited

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

REH PROPERTY INVESTMENT CO LIMITED

**DIRECTORS' REPORT
for the year ended 30 April 2008**

AUDITORS

The auditors, Arram Berlyn Gardner, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 27 November 2008 and signed on its behalf.



Mr M D A Keidan
Secretary

REH PROPERTY INVESTMENT CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REH PROPERTY INVESTMENT CO LIMITED

We have audited the financial statements of REH Property Investment Co Limited for the year ended 30 April 2008, set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REH PROPERTY INVESTMENT CO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REH PROPERTY INVESTMENT CO LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



ARRAM BERLYN GARDNER

Chartered Accountants

Registered Auditors

Ground Floor

30 City Road

London EC1Y 2AB

28 November 2008

REH PROPERTY INVESTMENT CO LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2008**

	Note	2008 £	2007 £
RENTS RECEIVABLE		157,074	138,013
Property outgoings		<u>(21,810)</u>	<u>(39,021)</u>
NET RENTAL INCOME		135,264	98,992
Administrative expenses		<u>(12,236)</u>	<u>(9,124)</u>
OPERATING PROFIT	2	123,028	89,868
Profit on sale of investment properties	3	<u>-</u>	<u>13,785</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		123,028	103,653
Interest receivable	4	799,877	678,708
Interest payable	5	<u>(285,477)</u>	<u>(242,412)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		637,428	539,949
Tax on profit on ordinary activities	6	<u>(190,183)</u>	<u>(180,881)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ 447,245</u>	<u>£ 359,068</u>

The notes on pages 8 to 12 form part of these financial statements.

REH PROPERTY INVESTMENT CO LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 April 2008**

	Note	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR		447,245	359,068
Unrealised surplus on revaluation of investment properties		-	255,503
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>£ 447,245</u>	<u>£ 614,571</u>

The notes on pages 8 to 12 form part of these financial statements.

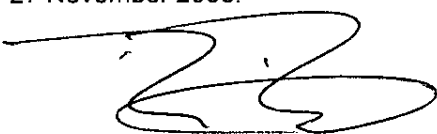
REH PROPERTY INVESTMENT CO LIMITED

**BALANCE SHEET
as at 30 April 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Investment property	7		1,858,487		1,858,487
CURRENT ASSETS					
Debtors	8	13,080,868		12,355,379	
Cash at bank		30,592		7,408	
		<u>13,111,460</u>		<u>12,362,787</u>	
CREDITORS: amounts falling due within one year	9	<u>(4,815,101)</u>		<u>(4,513,673)</u>	
NET CURRENT ASSETS			<u>8,296,359</u>		<u>7,849,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£10,154,846</u>		<u>£ 9,707,601</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Capital reserve	11		6,182,707		6,182,707
Revaluation reserve	11		1,574,639		1,574,639
Profit and loss account	11		<u>2,397,498</u>		<u>1,950,253</u>
SHAREHOLDERS' FUNDS			<u>£10,154,846</u>		<u>£ 9,707,601</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 November 2008.



Mr D A Pears
Director

The notes on pages 8 to 12 form part of these financial statements.

REH PROPERTY INVESTMENT CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) ("FRSSE").

1.2 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007) ("FRSSE").

1.3 INVESTMENT PROPERTIES

In accordance with FRSSE, investment properties are revalued annually and the aggregate surplus or deficit is transferred to the investment revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry. This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.4 DEFERRED TAXATION

FRSSE requires that deferred tax is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give the company an obligation to pay more or less tax in the future. However, FRSSE requires that deferred tax is not recognised on revaluation gains and losses where these are not taken to the profit and loss account.

Accordingly no provision is made for the taxation which would become payable under present legislation if the company's properties were sold at the amounts at which they are carried in the financial statements. However an estimate of the potential liability is shown in note 14.

1.5 PROPERTY TRANSACTIONS

Purchases and sales of properties are included on the basis of completions occurring during the year.

1.6 REPAIRS AND MAINTENANCE

All repairs, maintenance costs and renewals are written off as incurred.

Certain refurbishment costs which are part of major property refurbishment programmes may, depending on the nature of the works being undertaken, be capitalised in the balance sheet as part of investment properties.

REH PROPERTY INVESTMENT CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2008**

2. OPERATING PROFIT

The operating profit is stated after charging:

	2008	2007
	£	£
Auditors' remuneration	2,644	1,939
	<u>2,644</u>	<u>1,939</u>

During the year, no director received any emoluments (2007 - £NIL).

3. PROFIT ON SALE OF INVESTMENT PROPERTIES

	2008	2007
	£	£
Sale of investment properties	-	114,151
Historical cost	-	(16,761)
	<u>-</u>	<u>97,390</u>
Prior years revaluation surplus realised	-	(83,605)
	<u>-</u>	<u>(83,605)</u>
	£ -	£ 13,785
	<u><u>-</u></u>	<u><u>13,785</u></u>

4. INTEREST RECEIVABLE

	2008	2007
	£	£
Other interest receivable	£ 799,877	£ 678,708
	<u>799,877</u>	<u>678,708</u>

5. INTEREST PAYABLE

	2008	2007
	£	£
On loans from group undertakings	284,733	242,230
Other interest payable	744	182
	<u>285,477</u>	<u>242,412</u>
	£ 285,477	£ 242,412
	<u><u>285,477</u></u>	<u><u>242,412</u></u>

REH PROPERTY INVESTMENT CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2008**

6. TAXATION

	2008	2007
	£	£
UK corporation tax charge on profit for the year	£ 190,183	£ 180,881
	<u> </u>	<u> </u>

Factors affecting the tax charge for the year

	2008	2007
	£	£
Profit on ordinary activities before taxation	£ 637,428	£ 539,949
	<u> </u>	<u> </u>
Corporation tax at standard rate of 30% (2007: 30%)	191,228	161,985
Effects of:		
Difference arising from taxation of chargeable gains	-	18,841
Other items	-	55
Change in rate of corporation tax	(1,045)	-
	<u> </u>	<u> </u>
Total	£ 190,183	£ 180,881
	<u> </u>	<u> </u>

7. INVESTMENT PROPERTY

	Freehold property £
COST AND VALUATION	
At 1 May 2007 and 30 April 2008	£ 1,858,487
	<u> </u>

The 2008 valuations were made by the directors, on an open market value for existing use basis.

REVALUATION RESERVE

At 1 May 2007 and 30 April 2008	£ 1,574,639
	<u> </u>

The historical cost of these properties was £283,848 (2007 - £283,848).

8. DEBTORS

	2008	2007
	£	£
Sundry loan	13,072,638	12,352,124
Other debtors	8,230	3,255
	<u> </u>	<u> </u>
	£ 13,080,868	£ 12,355,379
	<u> </u>	<u> </u>

REH PROPERTY INVESTMENT CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2008

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Amounts owed to group undertakings	4,646,906	4,362,173
Corporation tax	100,184	105,881
Other creditors	68,011	45,619
	£ 4,815,101	£ 4,513,673
	£ 4,815,101	£ 4,513,673

10. SHARE CAPITAL

	2008	2007
	£	£
AUTHORISED		
100 Ordinary shares of £1 each	£ 100	£ 100
	£ 100	£ 100
	£ 100	£ 100
ALLOTTED, CALLED UP AND FULLY PAID		
2 Ordinary shares of £1 each	£ 2	£ 2
	£ 2	£ 2
	£ 2	£ 2

11. RESERVES

	Capital reserve	Revaluation reserve	Profit and loss account
	£	£	£
At 1 May 2007	6,182,707	1,574,639	1,950,253
Profit for the year	-	-	447,245
	£ 6,182,707	£ 1,574,639	£ 2,397,498
	£ 6,182,707	£ 1,574,639	£ 2,397,498

12. BANKING ARRANGEMENTS

The company, in common with certain family connected companies, participates in a group banking arrangement in respect of overdraft and loan facilities. Companies participating in this arrangement have a joint and several liability to the bank for the total group indebtedness. The total amount outstanding at 30 April 2008 was £Nil (2007 - £Nil). The directors do not consider that the bank will ever need recourse to this company, each family connected company having ample resources to meet its own liabilities.

REH PROPERTY INVESTMENT CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2008**

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions from disclosure available to subsidiary undertakings under FRSSE in connection with intra group transactions.

The company received management services from The William Pears Group of Companies Limited, a company in which the directors have an interest, the cost of which amounted to £9,400 (2007 - £7,050). At 30 April 2008 an amount of £13,072,638 (2007 - £12,352,124) was owed by that company. Interest thereon amounted to £799,877 for the year (2007 - £678,690).

The company received estate agents services from a partnership in which the directors have an interest, the cost of which amounted to £10,575 (2007 - £7,873).

14. PROVISIONS FOR LIABILITIES AND CHARGES

The estimated amount of potential taxation, for which no provision has been made and which would arise if the assets held as long term investments were sold at the values at which they appear in the balance sheet, amounts to £349,800 (2007 - £357,600).

15. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Registered Holdings Limited, a company incorporated in England.