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# **Renaissance Securities Limited**

## **Report and Accounts**

31 December 2001



# Renaissance Securities Limited

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Registered No. 3404451

## **DIRECTORS**

N G Bannister  
M L Dalby  
K C Rutherford

## **SECRETARY**

R D F Bagley

## **AUDITORS**

Ernst & Young LLP  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

## **BANKERS**

Barclays Bank PLC  
PO Box 378  
71 Grey Street  
Newcastle-Upon-Tyne  
Tyne & Wear  
NE99 1JP

## **SOLICITORS**

Nabarro Nathanson  
84 Theobald's Road  
London  
WC1X 8RW

## **REGISTERED OFFICE**

Queensway House  
11 Queensway  
New Milton  
Hampshire  
BH25 5NR

## Renaissance Securities Limited

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### STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors present their report and accounts for the year ended 31 December 2001.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,265 (7 months ended 31 December 2000: £2,926). The directors recommend the payment of a final ordinary dividend amounting to £nil for the year (7 months ended 31 December 2000: £3,874).

#### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be that of an investment company. The directors look forward to the year ahead with confidence.

#### DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

N G Bannister  
M L Dalby  
K C Rutherford

No director had an interest in the ordinary share capital of the company or the ultimate parent undertaking, Holiday Retirement Corporation. The interest of N G Bannister in the share capital of Holiday Retirement UK Limited is disclosed in that company's accounts.

The directors are not liable to retire by rotation

#### AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



R D F Bagley  
Secretary  
22 March 2002

## Renaissance Securities Limited

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### STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENAISSANCE SECURITIES LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read "Ernst & Young LLP", with a horizontal line underneath.

Ernst & Young LLP  
Registered Auditor  
Southampton  
22 March 2002

# Renaissance Securities Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

		<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
	<i>Notes</i>		
<b>TURNOVER</b>	3	6,437	5,659
Administrative Expenses		(1,773)	(1,479)
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	4,664	4,180
Tax on profit on ordinary activities	5	(1,399)	(1,254)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		3,265	2,926
Dividends	6	-	(3,874)
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR/PERIOD</b>	11	3,265	(948)

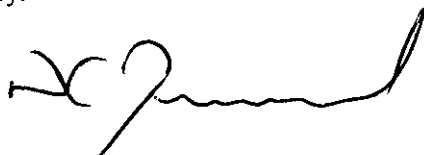
There are no recognised gains or losses other than the profit attributable to shareholders for the year ended 31 December 2001 of £3,265 (7 months ended 31 December 2000: £2,926). There is no difference between the profit on ordinary activities before taxation and the retained profit/loss for the financial year/period stated above, and their historical cost equivalents.

# Renaissance Securities Limited

## BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investments	7	286,979	286,979
<b>CURRENT ASSETS</b>			
Debtors	8	-	2,941
		-	2,941
<b>CREDITORS:</b> amounts falling due within one year	9	(57,992)	(64,198)
<b>NET CURRENT LIABILITIES</b>		(57,992)	(61,257)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		228,987	225,722
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Revaluation reserve	11	225,720	225,720
Profit and loss account	11	3,265	-
<b>SHAREHOLDERS' FUNDS - equity interests</b>		228,987	225,722

These accounts were approved by the board of directors on 22 March 2002 and were signed on its behalf by:



**N G Bannister**  
Chief Executive

# Renaissance Securities Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2001

### 1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern basis because the ultimate parent undertaking has provided assurance that adequate finance will be available.

### 2. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention as modified to include the revaluation of freehold and leasehold reversions and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985, except as explained below.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) which the company has adopted in these accounts, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

#### *Related parties*

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Holiday Retirement UK Limited or other group undertakings as the consolidated accounts of the Holiday Retirement UK Limited group in which the company is included are publicly available.

#### *Freehold and leasehold investment properties*

In accordance with Statement of Standard Accounting Practice No.19 (as amended):

- Investment properties are revalued annually. Surpluses and deficits arising are taken to the revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year; and
- No depreciation or amortisation is provided in respect of leasehold investment properties with over 20 years to run.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning 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 accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.



# Renaissance Securities Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 3. TURNOVER

Turnover represents the amounts derived from ground rents and transfer fees from freehold and leasehold reversionary interests, stated net of value added tax, all of which is attributable to continuing operations generated in the UK.

### 4. OPERATING PROFIT AND DIRECTORS' EMOLUMENTS

The auditors were remunerated by a fellow subsidiary undertaking, Peverel Limited.

The directors were remunerated by a fellow subsidiary undertaking, Peverel Limited, of which they are also directors.

There were no staff employed during the year or the previous period.

### 5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
Based on the profit for the year/period:		
UK Corporation tax	1,399	1,254

Payment is made for group relief at the standard rate of corporation tax.

### 6. DIVIDENDS

	<i>Year ended 31 December 2001 £</i>	<i>7 months ended 31 December 2000 £</i>
Ordinary – final proposed	-	3,874

# Renaissance Securities Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 7. FIXED ASSET INVESTMENTS

	<i>Freehold and leasehold reversionary interests £</i>
Cost:	
At 1 January 2001 and 31 December 2001	286,979

The company's freehold and leasehold developments have been revalued by the directors at open market value (based upon a multiple of relevant income streams) in accordance with external professional advice.

The historical cost of investment properties included at valuation is as follows:

	<i>£</i>
At 1 January 2001 and 31 December 2001	61,259

### 8. DEBTORS

	<i>2001 £</i>	<i>2000 £</i>
Trade debtors	-	2,941

### 9. CREDITORS: amounts falling due within one year

	<i>2001 £</i>	<i>2000 £</i>
Amounts due to fellow subsidiary undertakings	57,992	59,917
Corporation tax	-	407
Dividend payable	-	3,874
	<u>57,992</u>	<u>64,198</u>

### 10. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2001 No.</i>	<i>2000 No.</i>	<i>2001 £</i>	<i>2000 £</i>
Ordinary shares of £1 each	1,000	1,000	2	2

# Renaissance Securities Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 11. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£	£
At 1 June 2000	2	225,720	948	226,670
Profit for the period	-	-	2,926	2,926
Dividends	-	-	(3,874)	(3,874)
At 31 December 2000	2	225,720	-	225,722
Profit for the year	-	-	3,265	3,265
Dividends	-	-	-	-
At 31 December 2001	2	225,720	3,265	228,987

### 12. CONTINGENT LIABILITIES

The company has given unlimited guarantees on the bank overdrafts and loans of various UK group undertakings. At 31 December 2001 the amount outstanding under these guarantees was £24,337,650 (31 December 2000: £18,922,498).

### 13. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking and controlling party is Holiday Retirement Corporation, a company registered in Oregon USA. Holiday Retirement UK Limited is the smallest and largest group for which group accounts are prepared and are available to the public and may be obtained from Companies House, Cardiff.