

3404451

# **Renaissance Securities Limited**

## **Report and Financial Statements**

31 December 2005



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COMPANIES HOUSE 13/04/2006

# Renaissance Securities Limited

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Registered No. 3404451

## **DIRECTORS**

N G Bannister FIRPM  
K C Rutherford FIRPM  
John Gray FCCA ATII

## **SECRETARY**

R D F Bagley BA FSA (Scot) FIRPM

## **AUDITORS**

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

## **BANKERS**

National Westminster Bank PLC  
10 St Peter's Street  
St Albans  
Hertfordshire AL1 3LY

## **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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## DIRECTORS REPORT

The directors present their report and financial statements for the year ended 31 December 2005.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £12,043 (2004: £8,869). The directors do not recommend the payment of a dividend (2004: £nil).

### 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 consider the affairs of the business to be satisfactory and 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  
K C Rutherford  
J Gray

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 financial statements.

The directors are not liable to retire by rotation.

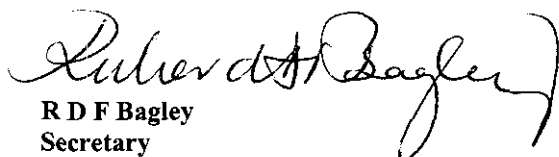
### INSURANCE OF COMPANY OFFICERS

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company.

### AUDITORS

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  
29 March 2006

## Renaissance Securities Limited

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### STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 financial statements, 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

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

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 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 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.

### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

**Ernst & Young LLP**  
**Registered auditor**  
**Southampton**  
**29 March 2006**

# Renaissance Securities Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2005

	Notes	2005 £	2004 £
<b>TURNOVER</b>	2	17,205	12,670
<b>OPERATING PROFIT</b>	3	17,205	12,670
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		17,205	12,670
Tax on profit on ordinary activities	4	(5,162)	(3,801)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	10	12,043	8,869

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above, and their historical cost equivalents.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2005

	2005 £	2004 £
Profit for the financial year	12,043	8,869
Unrealised surplus on revaluation of investment properties	303,873	-
<b>Total recognised gains and losses relating to the year</b>	<b>315,916</b>	<b>8,869</b>

# Renaissance Securities Limited

## BALANCE SHEET

at 31 December 2005

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Investments	5	410,573	106,700
<b>CURRENT ASSETS</b>			
Debtors	6	149,796	134,292
		149,796	134,292
<b>CREDITORS: amounts falling due within one year</b>	7	(7,438)	(3,977)
<b>NET CURRENT ASSETS</b>		142,358	130,315
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		552,931	237,015
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Revaluation reserve	10	357,767	53,894
Profit and loss account	10	195,162	183,119
<b>SHAREHOLDERS' FUNDS - equity interests</b>		552,931	237,015

These financial statements were approved by the board of directors on 29 March 2006 and were signed on its behalf by:



**N G Bannister**  
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2005

1. ACCOUNTING POLICIES

*Accounting convention*

The financial statements 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*

Advantage has been taken of the exemption available under Financial Reporting Standard 1 not to prepare a cash flow statement as the consolidated financial statements of the Holiday Retirement UK Limited group in which the company is included are publicly available.

*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 financial statements 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 included in the balance sheet at their open market value. Changes in the market value of investment properties 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, is 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 financial statements 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.

*Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



# Renaissance Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2005

### 2. 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.

### 3. OPERATING PROFIT AND DIRECTORS' EMOLUMENTS

The auditors are remunerated by a fellow subsidiary undertaking, Peverel Limited. The total audit fee for the UK group, of which Renaissance Securities Limited is a member, amounted to £95,000 (2004: £87,500).

The directors were paid by a fellow subsidiary undertaking, Peverel Limited, of which they are also directors. The directors' remuneration for the UK group amounted to £537,680 (2004: £474,318). The directors are unable to quantify the allocation of these amounts between individual companies within the group.

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

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £	2004 £
<i>Current tax</i>		
UK Corporation tax	5,162	3,801
Total current tax	<u>5,162</u>	<u>3,801</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is equal to the standard rate of corporation tax in the UK of 30%.

	2005 £	2004 £
Profit on ordinary activities before tax	17,205	12,670
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2004: 30%)	<u>5,162</u>	<u>3,801</u>
Current tax charge	<u>5,162</u>	<u>3,801</u>

# Renaissance Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2005

### 5. FIXED ASSET INVESTMENTS

	<i>Freehold and leasehold reversionary interests £</i>
Valuation:	
At 1 January 2005	106,700
Revaluation	303,873
At 31 December 2005	<u>410,573</u>

Investment properties, including freehold and leasehold reversions are included in the financial statements at their open market value. The valuation, based on a multiple of relevant income streams, has been made by a Fellow of the Royal Institute of Chartered Surveyors employed by the Holiday Retirement UK Limited group, and approved by the directors.

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

At 31 December 2004 and 31 December 2005	<u>52,806</u>
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### 6. DEBTORS

	<i>2005 £</i>	<i>2004 £</i>
Trade debtors	4,698	-
Amounts due from fellow subsidiary undertakings	145,098	134,292
	<u>149,796</u>	<u>134,292</u>

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

	<i>2005 £</i>	<i>2004 £</i>
Corporation tax	2,588	3,801
Accruals and deferred income	4,850	176
	<u>7,438</u>	<u>3,977</u>

### 8. DEFERRED TAX

In accordance with the stated accounting policy, no deferred tax is provided on the revaluation of properties where there is no intention of disposal.

The potential deferred tax upon such properties, which has not been provided in these accounts amounts to £107,330.

# Renaissance Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2005

### 9. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	2	2

### 10. 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>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2004	2	53,894	174,250	228,146
Profit for the year	-	-	8,869	8,869
At 31 December 2004	2	53,894	183,119	237,015
Profit for the year	-	-	12,043	12,043
Surplus on revaluation of investment properties	-	303,873	-	303,873
At 31 December 2005	2	357,767	195,162	552,931

### 11. CONTINGENT LIABILITIES

The company had given unlimited guarantees on the bank overdrafts and loans of various UK group undertakings but was released from these guarantees on 28 February 2005. At 31 December 2005 the amount outstanding under these guarantees was £nil (2004: £23,488,886).

Under a Deed of Charge, the company has unconditionally and irrevocably guaranteed the due and punctual payment of all sums due by Peverel Freeholds Limited Limited, a fellow subsidiary undertaking of Holiday Retirement UK Limited, associated with the £13,942,005 bank loan to that company.

Furthermore, this guarantee is supported by a fixed charge in favour of the Bank, granted over all the company's fixed asset investments (see note 5).

### 12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 financial statements are prepared and are available to the public and may be obtained from Companies House, Cardiff.