

Renaissance Securities Limited

Report and Accounts

31 May 2000

3404451



Renaissance Securities Limited

Registered No. 3404451

DIRECTORS

N G Bannister
M L Dalby
K C Rutherford

SECRETARY

M L Dalby

AUDITORS

Ernst & Young
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
50 Stratton Street
London
W1X 6NX

REGISTERED OFFICE

Queensway House
11 Queensway
New Milton
Hampshire
BH25 5NR

Renaissance Securities Limited

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 May 2000.

CHANGE OF ACCOUNTING REFERENCE DATE

As a result of its acquisition by the Group, the Company changed its accounting reference date to 31 May. Accordingly, these accounts cover the 5-month period from 1 January 2000 to 31 May 2000.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £948 (1999: £nil). The directors do not recommend the payment of a final ordinary dividend (1999: £Nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period was that of an investment company. The company did not trade in the previous period.

The directors look forward to the year ahead with confidence.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were as follows:

N G Bannister	(Appointed 12 April 2000)
M L Dalby	(Appointed 12 April 2000)
K C Rutherford	(Appointed 12 April 2000)
R Taylor	(Resigned 12 April 2000)
P Watkins	(Resigned 12 April 2000)
R Hill	(Resigned 28 January 2000)

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.

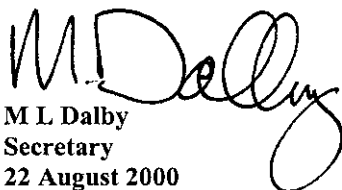
YEAR 2000 COMPLIANCE

The complexity of the Year 2000 problem is such that no single business can definitively state that it has achieved complete compliance and any such assurance should be reviewed carefully. The company did, however, develop a plan to analyse the risks of non-compliance and took appropriate action to remove or mitigate them. To date, there have been no indications of any material exposure relating to the Year 2000 problem within the company's internal operating systems.

AUDITORS

The Gretton Partnership resigned as the company's auditors during the period and Ernst & Young were appointed by the directors to fill the casual vacancy arising. In accordance with Section 384 of the Companies Act 1985, a resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board


M L Dalby
Secretary
22 August 2000

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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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.

REPORT OF THE AUDITORS
to the members of Renaissance Securities Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention as modified by the revaluation of fixed assets investments and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

Basis of opinion

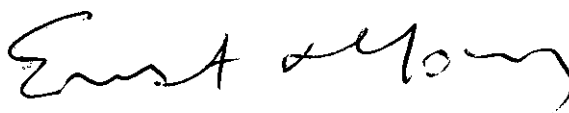

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 May 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
Southampton
22 August 2000

Renaissance Securities Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 May 2000

		<i>5 months ended 31 May 2000</i>	<i>Year ended 31 December 1999</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
TURNOVER	2	1,355	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,355	-
Tax on profit on ordinary activities	4	(407)	-
PROFIT RETAINED FOR THE PERIOD	9	948	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period ended 31 May 2000

	<i>5 months ended 31 May 2000</i>	<i>Year ended 31 December 1999</i>
	<i>£</i>	<i>£</i>
Profit for the financial period / year	1,355	-
Unrealised surplus on revaluation of properties	225,720	-
Total recognised gains and losses for the period / year	227,075	-

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

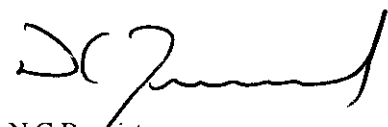
Renaissance Securities Limited

BALANCE SHEET

at 31 May 2000

		31 May 2000	31 December 1999
	Notes	£	£
FIXED ASSETS			
Investments	5	286,979	-
CURRENT ASSETS			
Debtors	6	1,355	-
Cash at bank and in hand		-	2
		1,355	2
CREDITORS: amounts falling due within one year	7	(61,664)	-
NET CURRENT (LIABILITIES) / ASSETS		(60,309)	2
TOTAL ASSETS LESS CURRENT LIABILITIES		226,670	2
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Revaluation reserve	9	225,720	-
Profit and loss account	9	948	-
SHAREHOLDERS' FUNDS - equity interests		226,670	2

These accounts were approved by the board of directors on 22 August 2000 and were signed on its behalf by:



N G Barnister
Chief Executive

22 AUG 2000

NOTES TO THE ACCOUNTS

at 31 May 2000

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.

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.

Renaissance Securities Limited

NOTES TO THE ACCOUNTS

at 31 May 2000

3. OPERATING PROFIT AND DIRECTORS' EMOLUMENTS

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

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

There were no staff employed during the period (31 December 1999: nil).

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>5 months ended 31 May 2000 £</i>	<i>Year ended 31 December 1999 £</i>
Based on the profit for the year:		
UK corporation tax at 30%	407	-

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

5. FIXED ASSET INVESTMENTS

	<i>Freehold and leasehold reversionary interests £</i>
Cost:	
At 1 January 2000	-
Additions	61,259
Surplus on revaluation	225,720
At 31 May 2000	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 31 May 2000	61,259
At 31 December 1999	-

Renaissance Securities Limited

NOTES TO THE ACCOUNTS

at 31 May 2000

6. DEBTORS

	31 May 2000 £	31 December 1999 £
Trade debtors	1,355	-
	<u>1,355</u>	<u>-</u>

7. CREDITORS: amounts falling due within one year

	31 May 2000 £	31 December 1999 £
Corporation tax	407	-
Amounts due to fellow subsidiary undertakings	61,257	-
	<u>61,664</u>	<u>-</u>

8. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>31 May 2000</i>	<i>31 December 1999</i>	<i>31 May 2000</i>	<i>31 December 1999</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	2	2

9. 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 1999 and 1 January 2000	2	-	-	2
Profit for the period	-	-	948	948
Surplus on revaluation	-	225,720	-	225,720
At 31 May 2000	<u>2</u>	<u>225,720</u>	<u>948</u>	<u>226,670</u>

NOTES TO THE ACCOUNTS
at 31 May 2000

10. 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.