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# RETIREMENT SECURITY LIMITED

## REPORT OF THE DIRECTORS AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MAY 2007

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for the Year Ended 31 May 2007


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**COMPANY INFORMATION**
**for the Year Ended 31 May 2007**

| | |
|---|---|
| **DIRECTORS·** | R Bessell<br>B J Cox<br>J G Harris<br>Ms H J Hobart<br>Ms S S James<br>W McNally<br>P W Smallridge<br>R J Wakeford<br>S Bell<br>Mrs P Birtles |
| **SECRETARY.** | Ms S S James |
| **REGISTERED OFFICE.** | 18 Wood Street<br>Stratford upon Avon<br>Warwickshire<br>CV37 6JF |
| **REGISTERED NUMBER** | 01612921 |
| **AUDITORS:** | Cooper Adams Ltd<br>Chartered Accountants<br>and Registered Auditors<br>12 Payton Street<br>Stratford upon Avon<br>Warwickshire<br>CV37 6UA |

## CHAIRMAN'S REPORT
## for the Year Ended 31 May 2007

The results for the year ending May 2007 demonstrate the extent to which Retirement Security Limited is currently dependent on the receipts from the transfer premiums and the extent to which they need the unremitting attention of all of the staff, not only of RSL, but also of the staff of the Owners' Companies, particularly the managers but also the duty managers and indeed the Owners, who have an important role to play in making the Courts attractive to prospective new Owners

It is unfortunate that not enough attention was given to the re-sales programme in 2006/2007, with the result that the profit is not as high as we would have wished, but that problem has been addressed, with some significant staff changes and a re-focussing on core activities Fortunately, the second tranche of profits from the Tiddington bungalows meant that the Company was able to make an overall profit for the year

The major indication for the future is the successful Planning Appeal for a second Court in Stratford, which will be another major development for the Company It will mark a whole new era, with RSL able to show that it remains among the leaders in the development of the concept of Very Sheltered Housing, which we pioneered all those years ago

However, in all of the excitement of the new developments, we will not lose sight of our core task of providing management services for the existing Courts, as it is only on that basis that the Company can hope to prosper

Bob Bessell
Chairman

## REPORT OF THE DIRECTORS
**for the Year Ended 31 May 2007**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2007

### PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of the development, sale and management of 'Very Sheltered Housing'

### REVIEW OF BUSINESS
The results for the year and financial position of the company and the group are as shown in the annexed financial statements

### DIVIDENDS
The group made a profit before tax for the year of £107,916 (2006 - £690,345) This reflects the results achieved from the sale of development properties and the income received from development consultancy fees, management fees and transfer premiums on resold properties

No interim dividend was paid during the year The directors do not recommend a final dividend

### FUTURE DEVELOPMENTS
The small development of four additional bungalows at Tiddington Court, Stratford Upon Avon is now complete and all of the bungalows have been sold A new Court was opened in Abergele, Conwy, in 2007 and the optimum location for future developments is currently being considered

The concept of very sheltered housing still has much to offer the welfare of frail elderly people and this is being recognised by other developers within the industry We continue to learn through our operations as managing agent and developer and analyse and develop this knowledge for use in future developments, in order to create a unique offering

### DIRECTORS
The directors shown below have held office during the whole of the period from 1 June 2006 to the date of this report

R Bessell
B J Cox
J G Harris
Ms H J Hobart
Ms S S James
W McNally
P W Smallridge
R J Wakeford

Other changes in directors holding office are as follows

Mrs M Parkinson - resigned 29 November 2006
S Bell - appointed 22 May 2007
Mrs P Birtles - appointed 29 November 2006
Ms W Dawson - appointed 30 November 2006 - resigned 16 May 2007

## REPORT OF THE DIRECTORS
## for the Year Ended 31 May 2007

### DIRECTORS - continued

The beneficial interests of the directors holding office on 31 May 2007 in the issued share capital of the company were as follows

| Ordinary 10p shares | 31 05 07 | 01 06 06 or date of appointment if later |
|---|---|---|
| R Bessell | 502,096 | 491,496 |
| B J Cox | 1,500 | - |
| J G Harris | 6,000 | 6,000 |
| H J Hobart | 870 | - |
| S S James | 4,180 | 1,000 |
| W McNally | 4,000 | 4,000 |
| P W Smallridge | 6,000 | 6,000 |
| R J Wakeford | 379,446 | 369,446 |
| P Birtles | 2,000 | 2,000 |
| S Bell | - | - |

R J Wakeford, a Director of the Company, is both a Director and Shareholder of Bosworth & Wakeford Limited who held 359,446 Ordinary Shares in Retirement Security Limited at the year end

### RETIREMENT OF DIRECTORS AT ANNUAL GENERAL MEETING

In accordance with the Articles of Association, H J Hobart, W McNally, P W Smallridge and S Bell will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election

### PURCHASE OF OWN SHARES

During the year, the company purchased 135,417 of its own ordinary shares (nominal value of £0 10 each) for a total consideration of £126,459 £13,542 has been transferred from ordinary share capital into capital redemption reserve and the total cost of purchase of £126,459 charged to profit and loss reserves brought forward The directors considered this an excellent opportunity for the company to buy back its own shares

### 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 the group and of the profit or loss of the group for that period In preparing these 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## REPORT OF THE DIRECTORS
**for the Year Ended 31 May 2007**

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

### AUDITORS
The auditors, Cooper Adams Ltd, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

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

**ON BEHALF OF THE BOARD:**

Ms S S James - Secretary

4 October 2007

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RETIREMENT SECURITY LIMITED

We have audited the financial statements of Retirement Security Limited for the year ended 31 May 2007 on pages eight to seventeen 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 2005)

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page four

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 Report of the Directors 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements This other information comprises only the Report of the Directors and the Chairman's Report We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

**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 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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RETIREMENT SECURITY 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 affairs of the company and the group as at 31 May 2007 and of the profit of the group 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 Report of the Directors is consistent with the financial statements

Cooper Adams Ltd

Cooper Adams Ltd
Chartered Accountants
and Registered Auditors
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

4 October 2007

## CONSOLIDATED PROFIT AND LOSS ACCOUNT
## for the Year Ended 31 May 2007

| | Notes | 2007 £ | 2006 £ |
|---|---|---|---|
| **TURNOVER** | | 2,162,994 | 2,428,730 |
| Cost of sales | | 827,600 | 728,268 |
| **GROSS PROFIT** | | 1,335,394 | 1,700,462 |
| Administrative expenses | | 1,239,058 | 1,019,627 |
| | | 96,336 | 680,835 |
| Other operating income | | 330 | 363 |
| **OPERATING PROFIT** | 3 | 96,666 | 681,198 |
| Interest receivable and similar income | | 11,250 | 9,147 |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 107,916 | 690,345 |
| Tax on profit on ordinary activities | 4 | 2,220 | 1,807 |
| **PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION** | | 105,696 | 688,538 |

The notes form part of these financial statements

## CONSOLIDATED BALANCE SHEET
**31 May 2007**

| | Notes | 2007 £ | 2007 £ | 2006 £ | 2006 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 6 | | 41,508 | | 57,520 |
| Investments | 7 | | - | | - |
| | | | 41,508 | | 57,520 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 8 | 291,396 | | 615,606 | |
| Debtors | 9 | 195,711 | | 127,714 | |
| Investments | 10 | 382 | | 382 | |
| Cash at bank and in hand | | 466,074 | | 296,788 | |
| | | 953,563 | | 1,040,490 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 11 | 235,441 | | 317,617 | |
| **NET CURRENT ASSETS** | | | 718,122 | | 722,873 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 759,630 | | 780,393 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 14 | | 176,735 | | 190,277 |
| Share premium | 15 | | 200,000 | | 200,000 |
| Capital redemption reserve | 15 | | 62,896 | | 49,354 |
| Profit and loss account | 15 | | 319,999 | | 340,762 |
| **SHAREHOLDERS' FUNDS** | | | 759,630 | | 780,393 |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 4 October 2007 and were signed on its behalf by

R Bessell - Director

Ms S S James - Director

The notes form part of these financial statements

## COMPANY BALANCE SHEET
**31 May 2007**

| | Notes | 2007 £ | 2007 £ | 2006 £ | 2006 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 6 | | 41,508 | | 57,520 |
| Investments | 7 | | 200 | | 200 |
| | | | 41,708 | | 57,720 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 8 | 291,396 | | 615,606 | |
| Debtors | 9 | 214,194 | | 161,737 | |
| Investments | 10 | 382 | | 382 | |
| Cash at bank and in hand | | 465,867 | | 296,581 | |
| | | 971,839 | | 1,074,306 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 11 | 235,441 | | 317,617 | |
| **NET CURRENT ASSETS** | | | 736,398 | | 756,689 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 778,106 | | 814,409 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 12 | | 5,618 | | 15,213 |
| **NET ASSETS** | | | 772,488 | | 799,196 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 14 | | 176,735 | | 190,277 |
| Share premium | 15 | | 200,000 | | 200,000 |
| Capital redemption reserve | 15 | | 62,896 | | 49,354 |
| Profit and loss account | 15 | | 332,857 | | 359,565 |
| **SHAREHOLDERS' FUNDS** | | | 772,488 | | 799,196 |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 4 October 2007 and were signed on its behalf by

R Bessell - Director

Ms S S James - Director

The notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS
## for the Year Ended 31 May 2007

### 1 ACCOUNTING POLICIES

**Accounting convention**
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

**Turnover**
Turnover represents income from the sale of development properties and freehold land, and the income receivable in respect of development consultancy fees, management fees and transfer premiums on resold properties

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|---|---|
| Short leasehold | - over the term of the lease |
| Office & computer equipment | - 15% - 20% on cost |

**Stocks**
Work in progress is valued at the lower of cost and net realisable value

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

**Deferred tax**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pensions**
The group operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

### 2 STAFF COSTS

The average number of employees, including directors, during the year was 24 (2006 - 22)

The aggregate payroll costs of these persons were as follows

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Salaries | 714,489 | 554,317 |
| Social security costs | 69,528 | 59,462 |
| Other pension costs | 43,374 | 34,442 |
| | 827,391 | 648,221 |

The company operates a defined contribution pension scheme The charge shown above represents the company's contributions payable to the pension scheme in respect of the financial year



continued

**NOTES TO THE FINANCIAL STATEMENTS - continued**
**for the Year Ended 31 May 2007**

## 3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Depreciation - owned assets | 19,949 | 17,997 |
| Auditors' remuneration | 9,000 | 8,745 |
| Management fees | (366,779) | (355,731) |
| Transfer premiums | (810,913) | (971,035) |
| Consultancy fees | (50,000) | (45,000) |
| Rents receivable | (330) | (313) |
| Hire of equipment | 3,773 | 3,604 |
| Directors' emoluments and other benefits etc | 255,905 | 187,334 |
| Compensation to director for loss of office | 43,675 | - |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|---|---|---|
| Money purchase schemes | 4 | 3 |

No directors exercised share options during the year (2006 - nil directors)

Directors' emoluments, including pension scheme contributions were as follows

| | Salary/ Fees | Benefits | Total | Pension | Total including pension |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| R Bessell | 85,656 | 2,283 | 87,939 | 6,570 | 94,509 |
| B Cox | 4,547 | - | 4,547 | - | 4,547 |
| J G Harris | 2,297 | - | 2,297 | - | 2,297 |
| H J Hobart | 45,853 | - | 45,853 | 4,225 | 50,078 |
| S S James | 49,678 | 1,017 | 50,695 | 4,649 | 55,344 |
| W McNally | 2,497 | - | 2,497 | - | 2,497 |
| M Parkinson | 1,342 | - | 1,342 | - | 1,342 |
| P Smallridge | 2,297 | - | 2,297 | - | 2,297 |
| P Birtles | 1,155 | - | 1,155 | - | 1,155 |
| S Bell | 1,147 | - | 1,147 | - | 1,147 |
| W Dawson | 34,420 | 294 | 34,714 | 5,978 | 40,692 |
| | 230,889 | 3,594 | 234,483 | 21,422 | 255,905 |

## 4 TAXATION

The group has corporation tax losses carried forward at the balance sheet date amounting to £7,321,304 No deferred tax asset has been recognised in respect of these losses

## 5 PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit for the financial year was £99,751 (2006 - £701,641)



continued

**NOTES TO THE FINANCIAL STATEMENTS - continued**
**for the Year Ended 31 May 2007**

## 6 TANGIBLE FIXED ASSETS

**Group**

| | Short leasehold £ | Office & computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 June 2006 | 43,558 | 111,679 | 155,237 |
| Additions | - | 3,937 | 3,937 |
| At 31 May 2007 | 43,558 | 115,616 | 159,174 |
| **DEPRECIATION** | | | |
| At 1 June 2006 | 13,958 | 83,759 | 97,717 |
| Charge for year | 4,368 | 15,581 | 19,949 |
| At 31 May 2007 | 18,326 | 99,340 | 117,666 |
| **NET BOOK VALUE** | | | |
| At 31 May 2007 | 25,232 | 16,276 | 41,508 |
| At 31 May 2006 | 29,600 | 27,920 | 57,520 |

**Company**

| | Short leasehold £ | Office & computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 June 2006 | 43,558 | 111,679 | 155,237 |
| Additions | - | 3,937 | 3,937 |
| At 31 May 2007 | 43,558 | 115,616 | 159,174 |
| **DEPRECIATION** | | | |
| At 1 June 2006 | 13,958 | 83,759 | 97,717 |
| Charge for year | 4,368 | 15,581 | 19,949 |
| At 31 May 2007 | 18,326 | 99,340 | 117,666 |
| **NET BOOK VALUE** | | | |
| At 31 May 2007 | 25,232 | 16,276 | 41,508 |
| At 31 May 2006 | 29,600 | 27,920 | 57,520 |



continued

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2007

## 7 FIXED ASSET INVESTMENTS

**Company**

| | Unlisted investments £ |
|---|---|
| **COST** | |
| At 1 June 2006 and 31 May 2007 | 200 |
| **NET BOOK VALUE** | |
| At 31 May 2007 | 200 |
| At 31 May 2006 | 200 |

The group or the company's investments at the balance sheet date in the share capital of companies include the following

**Subsidiaries**

**Retirement Security (Milton Keynes) Limited**
Nature of business management and sale of very sheltered housing

| Class of shares | % holding |
|---|---|
| Ordinary | 100 00 |

| | 2007 £ | 2006 £ |
|---|---|---|
| Aggregate capital and reserves | (649,446) | (639,851) |
| Loss for the year | (9,595) | (10,088) |

**Retirement Security (Reading) Limited**
Nature of business management and sale of very sheltered housing

| Class of shares | % holding |
|---|---|
| Ordinary | 100 00 |

| | 2007 £ | 2006 £ |
|---|---|---|
| Aggregate capital and reserves | (2,227,826) | (2,243,366) |
| Profit/(Loss) for the year | 15,540 | (3,015) |

## 8 STOCKS

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 £ | 2006 £ | 2007 £ | 2006 £ |
| Work-in-progress | 291,396 | 615,606 | 291,396 | 615,606 |

Stocks represent the costs incurred in the development of Tiddington Fields



continued

**NOTES TO THE FINANCIAL STATEMENTS - continued**
**for the Year Ended 31 May 2007**

## 9 DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| | £ | £ | £ | £ |
| Amounts falling due within one year | | | | |
| Trade debtors | 80,301 | 27,160 | 80,301 | 27,160 |
| Other debtors | 29,638 | 16,545 | 29,630 | 16,537 |
| Prepayments and accrued income | 85,772 | 84,009 | 85,772 | 84,009 |
| | 195,711 | 127,714 | 195,703 | 127,706 |
| Amounts falling due after more than one year | | | | |
| Amounts owed by group undertakings | - | - | 18,491 | 34,031 |
| Aggregate amounts | 195,711 | 127,714 | 214,194 | 161,737 |

Included within prepayments last year is £16,693 of deferred development costs for the development of four bungalows at Tiddington Court, Stratford upon Avon All of the four bungalows have now been sold

## 10 CURRENT ASSET INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| | £ | £ | £ | £ |
| Listed investments | 382 | 382 | 382 | 382 |

Market value of listed investments at 31 May 2007 held by the group and the company - £1,066 (2006 - £817)

## 11 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| | £ | £ | £ | £ |
| Trade creditors | 72,459 | 31,040 | 72,459 | 31,040 |
| Corporation tax | 2,220 | 1,807 | 2,220 | 1,807 |
| Social security and other taxes | 23,244 | 22,509 | 23,244 | 22,509 |
| Proposed dividends | - | 114,166 | - | 114,166 |
| Other creditors | - | 213 | - | 213 |
| Accruals and deferred income | 137,518 | 147,882 | 137,518 | 147,882 |
| | 235,441 | 317,617 | 235,441 | 317,617 |

## 12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Company | |
|---|---|---|
| | 2007 | 2006 |
| | £ | £ |
| Amounts owed to group undertakings | 5,618 | 15,213 |



continued

**NOTES TO THE FINANCIAL STATEMENTS - continued**
**for the Year Ended 31 May 2007**

## 13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| | £ | £ | £ | £ |
| Expiring | | | | |
| Within one year | 2,384 | - | 2,384 | - |
| Between one and five years | - | 2,384 | - | 2,384 |
| In more than five years | 18,000 | 18,000 | 18,000 | 18,000 |
| | 20,384 | 20,384 | 20,384 | 20,384 |

## 14 CALLED UP SHARE CAPITAL

Authorised

| Number | Class | Nominal value | 2007 £ | 2006 £ |
|---|---|---|---|---|
| 2,346,463 | Ordinary | 10p | 234,646 | 234,646 |
| 493,537 | Convertible Preference | 10p | 49,354 | 49,354 |
| | | | 284,000 | 284,000 |

Allotted, issued and fully paid

| Number | Class | Nominal value | 2007 £ | 2006 £ |
|---|---|---|---|---|
| 1,767,356 (2006 - 1,902,773) | Ordinary | 10p | 176,735 | 190,277 |



continued

**NOTES TO THE FINANCIAL STATEMENTS - continued**
**for the Year Ended 31 May 2007**

## 15 RESERVES

**Group**

| | Profit and loss account £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---|---|---|---|---|
| At 1 June 2006 | 340,762 | 200,000 | 49,354 | 590,116 |
| Profit for the year | 105,696 | | | 105,696 |
| Purchase of own shares | (126,459) | - | 13,542 | (112,917) |
| At 31 May 2007 | 319,999 | 200,000 | 62,896 | 582,895 |

**Company**

| | Profit and loss account £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---|---|---|---|---|
| At 1 June 2006 | 359,565 | 200,000 | 49,354 | 608,919 |
| Profit for the year | 99,751 | | | 99,751 |
| Purchase of own shares | (126,459) | - | 13,542 | (112,917) |
| At 31 May 2007 | 332,857 | 200,000 | 62,896 | 595,753 |

The company purchased 135,417 (nominal value of £0 10 each) of its own ordinary shares during the year for a total consideration of £126,459 £13,542 has been transferred from ordinary share capital to capital redemption reserve and the total consideration paid of £126,459 charged to profit and loss reserves brought forward

Last year, 401,230 preference shares (nominal value of £0 10 each) were purchased for a total consideration of £300,923

## 16 RELATED PARTY DISCLOSURES

During the year the company charged Retirement Security (Milton Keynes) Limited, its wholly owned subsidiary, £60,000 (2006- £60,000) in respect of management fees This charge is included within amounts due to subsidiary companies

During the year the company charged Retirement Security (Reading) Limited, its wholly owned subsidiary, £30,000 (2006 - £30,000) in respect of management fees This charge is included within amounts due from subsidiary companies

RJ Wakeford, a director and shareholder of Retirement Security Ltd, is also a director and shareholder of Bosworth & Wakeford Ltd, which in turn owns 100% of the share capital of Stepnell Ltd During the year, Stepnell Ltd purchased consultancy services from Retirement Security Ltd to the value of £50,000 Also during the year, Retirement Security Limited paid £11,652 to Stepnell Ltd for work completed at the bungalows at Tiddington Court