

RETIREMENT SECURITY LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

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for the Year Ended 31 May 2017**

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COMPANY INFORMATION
for the Year Ended 31 May 2017

DIRECTORS:

R Bessell
P W Smallridge
P Wakeford
Sir A Greengross
N A Chriscoli
Mrs M Bessell
Mrs G Benson
R Sharples

SECRETARY:

Mrs A M Taplin

REGISTERED OFFICE:

18 Wood Street
Stratford upon Avon
Warwickshire
CV37 6JF

REGISTERED NUMBER:

01612921 (England and Wales)

AUDITORS:

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

**REPORT OF THE CHAIRMAN
for the Year Ended 31 May 2017**

It is gratifying to be able to report that financially the Group has had another successful year and, in particular, that there has been a significant improvement both in the number of re-sales which have been achieved and the re-sale prices, although much still remains to be done.

We have been fortunate to recruit Richard Sharples as Chief Executive Officer of the management side of the business and he has been assiduous in visiting the 'Courts' and getting to know the Owners, the Boards of Directors and the staff.

For the future, as well as continuing the work in hand, there are prospects that the Group will venture back into the development of new schemes, which could open up very exciting new prospects. We will ensure the shareholders are kept fully informed.

I am also pleased that we have been able to make a start on the 'buy-back' of the shares, mainly of former Owners who contributed so much to the development of the Group in difficult times. It is very important to keep faith with the people who put faith in us and while it may take some time to work through the whole list, at least we are able to recommend a dividend of 6 pence per share for another year.

Bob Bessell
Chairman

**REPORT OF THE DIRECTORS
for the Year Ended 31 May 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2017.

REVIEW OF BUSINESS

The results for the year and financial position of the company and group are shown in the annexed financial statements.

The group made a profit before tax of £155,820 (2016 - £118,066). This reflects the results achieved from income from management fees and transfer premiums on resold properties.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £0.06 per share.

The total distribution of dividends for the year ended 31 May 2017 will be £101,385.

FUTURE DEVELOPMENTS

The group continues to consider new development opportunities. We will continue to ensure that any future developments will maintain and enhance the independence and quality of living of Owners.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2016 to the date of this report.

R Bessell
P Wakeford
Sir A Greengross
N A Chriscoli
Mrs M Bessell

Other changes in directors holding office are as follows:

P W Smallridge - appointed 1 June 2016
Mrs G Benson - appointed 14 November 2016

R Sharples was appointed as a director after 31 May 2017 but prior to the date of this report.

The beneficial interests of the directors holding office on 31 May 2017 in the issued share capital of the company were as follows:

Ordinary 10p shares	31.05.17	31.05.16 or date of appointment if later
R Bessell	513,007	513,007
M Bessell	45,208	45,208
N Chriscoli	23,000	23,000
P Wakeford	359,446	359,446
P Smallridge	6,000	6,000

P Wakeford, a Director of the company, is both a Director and Shareholder of Stepnell Holdings Limited. Stepnell Holdings Limited holds 359,446 ordinary shares in the company.

In accordance with the Articles of Association, Mrs M Bessell and P Wakeford will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

REPORT OF THE DIRECTORS
for the Year Ended 31 May 2017

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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 418 of the Companies Act 2006) 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 at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs A M Taplin - Secretary

5 September 2017

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 2017 on pages seven to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Chairman and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Report of the Directors.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.



Rosalind Adams FCA (Senior Statutory Auditor)
for and on behalf of Cooper Adams Ltd
Chartered Accountants
and Statutory Auditors
12 Payton Street
Stratford upon Avon
Warwickshire
CV37 6UA

5 September 2017

RETIREMENT SECURITY LIMITED (REGISTERED NUMBER: 01612921)

CONSOLIDATED INCOME STATEMENT
for the Year Ended 31 May 2017

	Notes	2017	2016
		£	£
TURNOVER		1,963,316	1,673,436
Cost of sales		389,330	212,643
GROSS PROFIT		1,573,986	1,460,793
Administrative expenses		1,425,627	1,360,542
		148,359	100,251
Other operating income		6,510	16,546
Revaluation of investments		(37)	(32)
OPERATING PROFIT		154,832	116,765
Income from fixed asset investments		45	40
Interest receivable and similar income		943	1,261
		988	1,301
PROFIT BEFORE TAXATION		155,820	118,066
Tax on profit	4	258	324
PROFIT FOR THE FINANCIAL YEAR		155,562	117,742

The notes form part of these financial statements

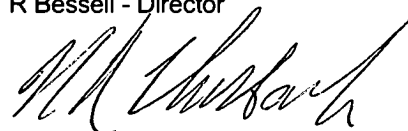
CONSOLIDATED BALANCE SHEET
31 May 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	6	35,158	41,538
Investments	7	-	-
		<u>35,158</u>	<u>41,538</u>
CURRENT ASSETS			
Stocks		3,483	48,353
Debtors	8	461,972	567,368
Investments	9	348	386
Cash at bank		310,400	179,980
		<u>776,203</u>	<u>796,087</u>
CREDITORS			
Amounts falling due within one year	10	228,486	204,942
NET CURRENT ASSETS		<u>547,717</u>	<u>591,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>582,875</u>	<u>632,683</u>
CAPITAL AND RESERVES			
Called up share capital	12	168,976	176,736
Share premium	13	200,000	200,000
Capital redemption reserve	13	70,656	62,896
Retained earnings	13	143,243	193,051
SHAREHOLDERS' FUNDS		<u>582,875</u>	<u>632,683</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 5 September 2017 and were signed on its behalf by:


R Bessell - Director


N A Chriscoli - Director

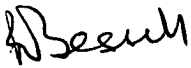
RETIREMENT SECURITY LIMITED (REGISTERED NUMBER: 01612921)

COMPANY BALANCE SHEET
31 May 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	6	35,158	41,538
Investments	7	-	-
		<u>35,158</u>	<u>41,538</u>
CURRENT ASSETS			
Stocks		3,483	48,353
Debtors	8	1,759,111	1,852,908
Investments	9	348	386
Cash at bank		301,014	170,594
		<u>2,063,956</u>	<u>2,072,241</u>
CREDITORS			
Amounts falling due within one year	10	224,948	201,456
NET CURRENT ASSETS		<u>1,839,008</u>	<u>1,870,785</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,874,166</u></u>	<u><u>1,912,323</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	168,976	176,736
Share premium	13	200,000	200,000
Capital redemption reserve	13	70,656	62,896
Retained earnings	13	1,434,534	1,472,691
SHAREHOLDERS' FUNDS		<u><u>1,874,166</u></u>	<u><u>1,912,323</u></u>
 Company's profit for the financial year		 <u><u>167,213</u></u>	 <u><u>285,511</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 5 September 2017 and were signed on its behalf by:


R Bessell - Director


N A Chriscoli - Director

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 May 2017

1. STATUTORY INFORMATION

Retirement Security Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of paid employees, including directors, during the year was 18 (2016 - 17).

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Salaries	727,561	645,961
Social security costs	80,084	69,076
Other pension costs	46,736	43,911
	<u>854,381</u>	<u>758,948</u>

The group operates a defined contribution pension scheme. The charge shown above represents the group's contributions payable to the pension scheme in respect of the financial year. At the year end, the pension liability is £401 (2016: £367).

	2017	2016
	£	£
Directors' remuneration	192,457	186,842
Directors' pension contributions to money purchase schemes	<u>6,724</u>	<u>6,649</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017

3. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

No directors exercised share options during the year (2016 - nil directors).

Directors' emoluments, including pension scheme contributions were as follows:

	Salary /Fees £	Benefits £	Total £	Pension £	Total including pension £
R Bessell	79,068	4,932	84,000	-	84,000
M Bessell	3,115	-	3,115	-	3,115
G Benson	1,687	-	1,687	-	1,687
N Chriscoli	72,249	2,410	74,659	6,724	81,383
A Greengross	25,881	-	25,881	-	25,881
P Smallridge	3,115	-	3,115	-	3,115
	<u>185,115</u>	<u>7,342</u>	<u>192,457</u>	<u>6,724</u>	<u>199,181</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	258	324
Tax on profit	<u>258</u>	<u>324</u>

The group has corporation tax losses carried forward at the balance sheet date amounting to £6,620,422 (2016 : £6,797,179). No deferred tax asset has been recognised in respect of these losses.

5. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

The parent company's profit for the financial year was £167,213 (2016 - £285,511).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017

6. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Office & computer equipment £	Totals £
COST			
At 1 June 2016	56,438	199,824	256,262
Additions	-	13,842	13,842
Disposals	-	(5,420)	(5,420)
At 31 May 2017	56,438	208,246	264,684
DEPRECIATION			
At 1 June 2016	47,422	167,302	214,724
Charge for year	1,288	13,807	15,095
Eliminated on disposal	-	(293)	(293)
At 31 May 2017	48,710	180,816	229,526
NET BOOK VALUE			
At 31 May 2017	<u>7,728</u>	<u>27,430</u>	<u>35,158</u>
At 31 May 2016	<u>9,016</u>	<u>32,522</u>	<u>41,538</u>

Company

	Short leasehold £	Office & computer equipment £	Totals £
COST			
At 1 June 2016	56,438	199,824	256,262
Additions	-	13,842	13,842
Disposals	-	(5,420)	(5,420)
At 31 May 2017	56,438	208,246	264,684
DEPRECIATION			
At 1 June 2016	47,422	167,302	214,724
Charge for year	1,288	13,807	15,095
Eliminated on disposal	-	(293)	(293)
At 31 May 2017	48,710	180,816	229,526
NET BOOK VALUE			
At 31 May 2017	<u>7,728</u>	<u>27,430</u>	<u>35,158</u>
At 31 May 2016	<u>9,016</u>	<u>32,522</u>	<u>41,538</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017

7. FIXED ASSET INVESTMENTS

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

Registered office: United Kingdom

Nature of business: development, sale & mgmnt of very sheltered housing

	%
Class of shares:	holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	(701,815)	(702,028)
Profit for the year	213	124
	<u> </u>	<u> </u>

Retirement Security (Reading) Limited

Registered office: United Kingdom

Nature of business: development, sale & mgmnt of very sheltered housing

	%
Class of shares:	holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	(3,454,090)	(3,442,225)
Loss for the year	(11,865)	(167,892)
	<u> </u>	<u> </u>

The fair value of fixed asset investments is £nil. The historical cost of fixed asset investments is £200 (2016 : £200).

8. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	34,656	55,896	34,656	55,896
Amounts owed by group undertakings	-	-	1,606,643	1,630,048
Other debtors	4,816	57,159	3,812	56,151
Prepayments and accrued income	114,000	110,813	114,000	110,813
	<u>153,472</u>	<u>223,868</u>	<u>1,759,111</u>	<u>1,852,908</u>
Amounts falling due after more than one year:				
Other debtors	<u>308,500</u>	<u>343,500</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>461,972</u>	<u>567,368</u>	<u>1,759,111</u>	<u>1,852,908</u>

Included in debtors is a balance of £308,500 (2016: £343,500) due to the group for properties sold at Margaret Court. This balance will be paid when the properties are resold or earlier if the debt is factored or repaid by the purchaser.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017

9. CURRENT ASSET INVESTMENTS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Listed investments	<u>348</u>	<u>386</u>	<u>348</u>	<u>386</u>

The historical cost of current asset investments is £382 (2016 : £382).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	27,445	36,718	27,444	36,717
Corporation tax	258	324	258	324
Social security and other taxes	30,919	24,611	30,919	24,611
Proposed dividends	101,385	106,041	101,385	106,041
Other creditors	4,163	367	4,163	367
Accruals and deferred income	64,316	36,881	60,779	33,396
	<u>228,486</u>	<u>204,942</u>	<u>224,948</u>	<u>201,456</u>

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	30,855	5,239
Between one and five years	<u>47,261</u>	<u>52,250</u>
	<u>78,116</u>	<u>57,489</u>

Company

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	30,855	24,239
Between one and five years	<u>47,261</u>	<u>33,250</u>
	<u>78,116</u>	<u>57,489</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2017

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017 £	2016 £
Number:	Class:			
1,767,356	Ordinary	10p	<u>168,976</u>	<u>176,736</u>

During the year, Retirement Security Limited purchased 77,601 of its own 10p ordinary shares for a cash consideration of £103,985.

13. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2016	193,051	200,000	62,896	455,947
Profit for the year	155,562			155,562
Dividends	(101,385)			(101,385)
Purchase of own shares	(103,985)	-	7,760	(96,225)
At 31 May 2017	<u>143,243</u>	<u>200,000</u>	<u>70,656</u>	<u>413,899</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2016	1,472,691	200,000	62,896	1,735,587
Profit for the year	167,213			167,213
Dividends	(101,385)			(101,385)
Purchase of own shares	(103,985)	-	7,760	(96,225)
At 31 May 2017	<u>1,434,534</u>	<u>200,000</u>	<u>70,656</u>	<u>1,705,190</u>

14. RELATED PARTY DISCLOSURES

During the year the company charged Retirement Security (Milton Keynes) Limited, its wholly owned subsidiary, £88,500 (2016 - £84,500) in respect of management fees.

During the year the company charged Retirement Security (Reading) Limited, its wholly owned subsidiary, £104,000 (2016 - £42,000) in respect of management fees.